



Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

■ Kenneth Leary, Chair ■ Diane Dillon, Vice Chair ■ Margie Mohler ■ Gregory Rodeno ■ Brad Wagenknecht
■ Ryan Gregory, Alternate ■ Eve Kahn, Alternate ■ Scott Sedgley, Alternate

Administrative Office
1030 Seminary Street, B
Napa, California 94559
Telephone: 707-259-8645
www.napa.lafco.ca.gov

Consistent with the California Governor's Executive Order N-29-20 promoting social distancing, there will be no physical or in-person meeting location available to the public. Instead, the meeting will be conducted by teleconference. All staff reports for items on the meeting agenda are available on the Commission's website at https://www.napa.lafco.ca.gov/staff_reports.aspx. The meeting will be accessible for all members of the public to attend via the link and phone number listed below.

REGULAR MEETING AGENDA

Monday, October 5, 2020, 2:00 PM

This meeting will be conducted by Teleconference

Written public comments may be submitted PRIOR to the meeting (Deadline October 5 at 10:00 A.M.).
Public comments DURING the meeting: See "Coronavirus (COVID-19) – Notice of Meeting Procedures" on page 3 of the agenda.

Join Teleconference Meeting **Electronically** (computer, tablet or smartphone): click on the link below:

<https://countyofnapa.zoom.us/j/99505726101>

Join Teleconference Meeting by **Telephone**:

Dial: (669) 900-6833

Follow the prompts: Meeting ID: 99505726101#

Please avoid the speakerphone function to prevent echoing.

If you need assistance before or during the meeting, please contact Commission Clerk Kathy Mabry at: kmabry@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645.

1. CALL TO ORDER BY CHAIR; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

The Chair will consider a motion to approve the agenda as prepared by the Executive Officer with any requests to remove or rearrange items by members or staff.

4. PUBLIC COMMENTS

The public is encouraged to address the Commission concerning any matter not on the Agenda. The Commission is prohibited from discussing or taking action on any item not appearing on the posted Agenda. See *Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda to submit comments.*

5. CONSENT ITEMS

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

a) Approval of Meeting Minutes: August 3, 2020 Regular Meeting

b) Proposed Amendment No. 2 to Contract with Policy Consulting Associates, LLC

6. INFORMATION ITEMS

Information items will be received by the Commission without a presentation from staff unless requested by the Commission. Information items do not involve any action by the Commission.

- a) **Current and Future Proposals**
- b) **Work Program Progress Report**
- c) **Executive Officer Report**

7. PUBLIC HEARING ITEMS

Any member of the public may address the Commission with respect to a scheduled public hearing item. See *Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda to submit comments.*

a) Final Napa Countywide Water and Wastewater Municipal Service Review and Associated CEQA Findings (Approx. 45 Minutes)

The Commission will review a final Napa Countywide Water and Wastewater Municipal Service Review (MSR). The final report includes written determinations making statements on the level and range of services provided by the 14 local government agencies in Napa County with a role in providing public water and/or wastewater services. The recommended actions are for the Commission to (1) receive and file the final report and (2) adopt a resolution that confirms the determinative statements in the final report and finds the MSR is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15306.

8. ACTION ITEMS

Items calendared for action do not require a public hearing before consideration by the Commission. Applicants may address the Commission. Any member of the public may provide comments on an item. See *Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda to submit comments.*

a) Streamlined Island Annexation Proceedings and Maps (Approx. 15 Minutes)

The Commission will receive a report with maps of all unincorporated areas located within a city or town's sphere of influence in Napa County. The report and maps will clarify which of these unincorporated areas are consistent with the local adopted definition of an "island" pursuant to the Commission's Policy on Unincorporated Islands. The Commission will also receive information on the streamlined island annexation process. The recommended action is for the Commission to consider providing direction to staff with respect to any desired island annexation efforts.

9. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

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

10. CLOSED SESSIONS:

a) Public Employee Performance Evaluation – (Government Code Section 54957(b)(1))

Employee: Executive Officer

b) Conference with Labor Negotiators – (Government Code Section 54957.6)

Agency Designated Representative: Commission Chair

Unrepresented Employee: Executive Officer

11. ADJOURNMENT TO NEXT SCHEDULED MEETING

Monday, December 7, 2020, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559. It is anticipated the meeting may be conducted by teleconference due to COVID-19 in compliance with Executive Order N-29-20.

MEETING INFORMATION

****CORONAVIRUS (COVID-19) – Notice of Meeting Procedures**

TELECONFERENCE MEETING: In order to slow the spread of the Coronavirus (COVID-19) pandemic, the Commission will conduct this meeting as a teleconference in compliance with the Governor’s Executive Order N-29-20 and Napa County Shelter at Home Order issued March 18, 2020, and members of the Commission or Commission staff may participate in this meeting telephonically or electronically. Members of the public may participate in the meeting, as described below.

*Join Teleconference Meeting **Electronically** (computer, tablet or smartphone):* click on the link below:

<https://countyofnapa.zoom.us/j/99505726101>

*Join Teleconference Meeting by **Telephone**:*

Dial: (669) 900-6833

Follow the prompts: Meeting ID: 99505726101#

Please avoid the speakerphone function to prevent echoing.

If you need assistance before or during the meeting, please contact Commission Clerk Kathy Mabry at: kmabry@napa.lafco.ca.gov or call the LAFCO office at (707) 259-8645.

SUBMITTING WRITTEN COMMENTS TO BE READ AT THE MEETING: Any member of the public may submit a written comment to the Commission before the meeting by **October 5, 2020 at 10:00 A.M.** by email to kmabry@napa.lafco.ca.gov or by mail to Napa LAFCO 1030 Seminary St., Suite B, Napa, CA 94559-2814. If you are commenting on a particular item on the agenda, please identify the agenda item number and letter. Any comments of 500 words or less (per person, per item) will be read into the record if: (1) the subject line includes “COMMENT TO COMMISSION – PLEASE READ”; and (2) it is received by the Commission Clerk prior to the deadline of **October 5, 2020 at 10:00 A.M.**

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

SUBMITTING SPOKEN COMMENTS DURING THE COMMISSION MEETING:

Electronically:

1. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Commission calls for the item on which you wish to speak, click “participants”, a menu will appear. On computer or tablet: click on the “raise hand” icon or word. On a smartphone: click on your name in the list of participants, click on “raise hand”. Staff will activate and unmute speakers in turn.
3. When you are called upon to speak please provide your name and address for the record.
4. When called, please limit your remarks to the time limit allotted (3 minutes).

By phone (landline):

1. Your phone number will appear but not your name.
2. When the Commission calls for the item on which you wish to speak, press *9 to “raise your hand”. Staff will activate and unmute speakers in turn. You will be called upon using the last four digits of your phone number, since your name is not visible.
3. When you are called upon to speak please provide your name and address for the record.
4. When called, please limit your remarks to the time limit allotted (3 minutes).

VIEWING RECORDING OF TELECONFERENCE MEETING: The Commission's teleconference meeting will be recorded. Members of the public may access the teleconference meeting and other archived Commission meetings by going to https://www.napa.lafco.ca.gov/cm_meeting_video.aspx. Please allow up to one week for production time.

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

CONDUCT OF HEARINGS: A contested matter is usually heard as follows: (1) discussion of the staff report and the environmental document; (2) testimony of proponent; (3) testimony of opponent; (4) public testimony; (5) rebuttal by proponent; (6) provision of additional clarification by staff as required; (7) close of the public hearing; (8) Commission discussion and Commission vote.

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

OFF AGENDA ITEMS: Matters under the jurisdiction of the Commission and not on the posted agenda may be addressed by the public under "Public Comments" on the Agenda. The Commission limits testimony on matters not on the agenda to 500-words or less for a particular subject and in conformance with the COVID-19-Notice of Meeting Procedures. The Commission cannot take action on any unscheduled items.

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

POLITICAL REFORM ACT: Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contributes \$1,000 or more or expends \$1,000 or more in support of or in opposition to a change of organization or reorganization that will be, or has been, submitted to LAFCO must comply, to the same extent as provided for local initiative measures, with reporting and disclosure requirements of the California Political Reform Act of 1974. Additional information can be obtained by contacting the Fair Political Practices Commission.

Pursuant to Government Code Section 84308, if you wish to participate in the proceedings indicated on this agenda, you or your agent is prohibited from making a campaign contribution of \$250 or more to any Commissioner or Alternate Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. If you or your agent has made a contribution of \$250 or more to any Commissioner or Alternate Commissioner during the 12 months preceding the decision, that Commissioner or Alternate Commissioner must disqualify themselves from the decision in the proceeding. However, disqualification is not required if the Commissioner or Alternate Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings.

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



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 5a (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Kathy Mabry, Commission Clerk

MEETING DATE: October 5, 2020

SUBJECT: Approval of Meeting Minutes: **August 3, 2020 Regular Meeting**

DISCUSSION AND RECOMMENDATION

The Commission will consider approving the draft meeting minutes prepared by staff for the August 3, 2020 Regular Meeting, included as Attachment One.

Staff recommends approval.

ATTACHMENTS

- 1) Draft Minutes for August 3, 2020 Regular Meeting

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
REGULAR* MEETING MINUTES OF AUGUST 3, 2020**

Due to Coronavirus (COVID-19) and consistent with Governor Newsom's Executive Order N-29-20 promoting social distancing, the meeting was conducted **via teleconference. The meeting was accessible for members of the public to attend electronically via a link and phone number displayed on page 3 of the agenda under Notice of Meeting Procedures.*

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair Leary called the regular meeting of August 3, 2020 to order at 2:07 PM *via teleconference*. At the time of roll call, the following Commissioners and Staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Kenneth Leary, Chair	Ryan Gregory	Brendon Freeman, Executive Officer
Diane Dillon, Vice Chair	(left @ 4:13 PM)	DeeAnne Gillick, Commission Counsel
Margie Mohler	Eve Kahn	Dawn Mittleman Longoria, Analyst II
Gregory Rodeno	Scott Sedgley	Kathy Mabry, Secretary
Brad Wagenknecht		

2. PLEDGE OF ALLEGIANCE

Chair Leary invited members of the audience to join him in reciting the Pledge of Allegiance.

3. APPROVAL OF AMENDED AGENDA

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

VOTE:

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

4. PUBLIC COMMENTS

Prior to the meeting, the public was encouraged to submit comments to the Commission concerning any matter not on the agenda, with specific instructions noted under Coronavirus (COVID-19) – Notice of Meeting Procedure on page 3 of the agenda.

There were no public comments received prior to the meeting, via mail or email.

5. CONSENT ITEMS

a) Approval of Minutes: June 1, 2020 Regular Meeting and July 13, 2020 Special Meeting

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

VOTE:

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

6. INFORMATION ITEMS

- a) **Current and Future Proposals**
- b) **Fourth Quarter Budget Report for 2019-2020**
- c) **Countywide Update on Housing and General Plans**
- d) **Strategic Plan and Work Program Progress Report**
- e) **Executive Officer Report**

Though no action is required on this item, the Chair requested the Executive Officer to provide a review of the anticipated annexation proposals listed in agenda item #6a.

7. ACTION ITEMS

a) Los Robles Drive No. 2 Annexation to the Napa Sanitation District and Associated CEQA Findings

The Commission considered approving a proposal submitted by landowner petition for annexation of four incorporated parcels totaling approximately 15.4 acres in size to the Napa Sanitation District. The affected territory is within the City of Napa, is located at 21 Los Robles Drive, 33 Los Robles Drive, 45 Los Robles Drive, and a property with no situs address, and identified by the County Assessor as 046-180-017, 046-180-008, 046-180-009, and 046-180-016, respectively.

Analyst Dawn Mittleman Longoria provided an overview of this agenda item.

There were no Commissioner comments received. Chair Leary opened the public hearing.

There were no public comments received. Chair Leary closed the public hearing.

Upon motion by Commissioner Rodeno and second by Commissioner Mohler, the Commission approved the staff recommendation to adopt the resolution approving the annexation, by roll call vote (**Resolution No. 2020-08**):

VOTE:

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

b) Linda Vista Avenue No. 21 Annexation to the Napa Sanitation District and Associated CEQA Findings

The Commission considered approving a proposal submitted by landowner petition for annexation of four incorporated parcels totaling approximately 2.8 acres in size to the Napa Sanitation District. The affected territory is within the City of Napa, is located at 3660 Linda Vista Avenue, 4009 Linda Vista Avenue, 4213 Linda Vista Avenue, and 2415 Trower Avenue, and identified by the County Assessor as 007-231-002, 007-152-030, 007-103-004, and 007-172-023, respectively. The purpose of the annexation is to eliminate private septic systems.

Staff presented an overview and history of this item, noting that neighbors have joined together to annex the subject property. A brief discussion was held on the topic of combined annexations.

There were no Commissioner comments received. Chair Leary opened the public hearing.

There were no public comments received. Chair Leary closed the public hearing.

Upon motion by Commissioner Mohler and second by Commissioner Rodeno, the Commission approved the staff recommendation to adopt the resolution approving the annexation, by roll call vote (**Resolution No. 2020-09**):

VOTE:

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

7. ACTION ITEMS – continued:

c) Public Comments Received on the Countywide Water and Wastewater Municipal Service Review Draft Report

The Commission discussed the public comments received on the draft Countywide Water and Wastewater Municipal Service Review (MSR).

Staff provided an overview of this agenda item, noting the Public Draft MSR was released May 18th, a public virtual workshop was held on July 13th; and July 20th was the deadline for all comments. Staff also informed the Commission that three separate comments were received prior to this meeting. Those comments were added as supplemental items on LAFCO's website under Staff Reports for today's meeting, and the comments were emailed to all Commissioners.

Staff summarized that the majority of public comments received (attached to Staff Report) generally related to clarifying information, technical corrections, governance structure options, water security, groundwater for municipal use, trucked water policies, LAFCO sphere of influence policies, environmental considerations, water quality and rate issues in Berryessa, and the need to plan for future emergencies. All comments will be included in the final MSR, and revisions will be made to the report to address certain comments, based on the Commission's direction, and the Consultant team and staff discussions. A final report will be presented to the Commission on October 5, 2020 as part of a public hearing, which may also include adoption by the Commission.

Staff noted that if the Commission does not specifically discuss a comment and give direction on that comment, Staff and the Consultant will still confer and decide what revisions would be appropriate for the report.

The Commission was asked to discuss the public comments and direct staff to incorporate any desired revisions into the report, or direct staff to provide written responses to any of the comments. Staff noted the MSR Consultant, Jennifer Stephenson of Policy Consulting Associates, is present.

Commissioner comments:

- Commissioner Mohler suggested staff move forward with any specific numerical or wording details provided by each municipality in terms of correcting any information in the draft MSR, and appreciates what LAFCO, the Consultant and Stakeholders have done to prepare a great baseline document. She also recommends having a conclusion in the report about possibly forming a countywide agency, or developing a Joint Powers Authority (JPA) agreement, or any other options.
- Commissioner Dillon expressed concern about repetition in the report and asked that to be minimized. A discussion was held with the Consultant about Resort Improvement Districts (RID's) and past recommendations to create a Community Services Area in a 2011 MSR report. Commissioner Dillon requested the Consultant further research this and any findings be incorporated into this MSR.
- Chair Leary agreed with Commission Dillon about having concise and accurate information in one place, and back stories on certain issues should be part of the discussion in the report.
- Commission Kahn agreed with Commission Dillon on some private water districts. Specifically, she was recently moved by comments from Jay Gardner, from the Milton Road private water district. They are not a municipal service, so they were not included in the report, and wondered if there is any way to bring an organization like that into the discussion. Trucked water policies were also discussed and it was suggested the topic be brought into the discussion in regards to having a countywide agency.
- Commissioner Mohler said she liked a letter from City of Napa's Phil Brun about trucked water policies, and asked how those comments will be incorporated in to the updated MSR. Staff answered that any recommendations are discussed with agency staff to ask if it is on their radar, or on their work plan. If the Commission is silent on the matter, the comments would be still included in the comments log.

7. **ACTION ITEMS – continued:**

c) Public Comments Received on the Countywide Water and Wastewater Municipal Service Review Draft Report - continued:

- Commissioner Gregory said we should be starting with the question: *What are we trying to accomplish with such an agency?* The report includes the recommendation that Napa Sanitation District take over NBRID and LBRID, but would there be cost savings and efficiencies discovered? Those type of considerations need to be addressed.

Public comments:

- Jason Holley, City Manager, City of American Canyon thanked the Commission for the opportunity to address LAFCO, and complimented the work product, staff and the Consultant team for a process that has been under way for a year or more. Mr. Holley stated a comment letter from the City was sent to LAFCO today, which addresses the confirmation of the service boundaries for American Canyon. The City is working with LAFCO Counsel and staff and believes it can get this resolved and continue to work with that group, and that the final document that the Commission will be asked to approve on October 5, 2020 will reflect the accurate historical boundaries that exist.

No other public comments were received.

Chair Leary thanked everyone for their comments. He also discussed how the comments pertaining to the report are included, and then suggested two Commissioners work together (Ad Hoc) with staff on what the final report will look like and how the recommendations and determinations will show up. Clarification from staff was requested regarding finalizing the report, or a summary of comments received.

MSR Consultant, Jennifer Stephenson informed the Commission that a comment log is included in the report (as an appendix) which should address any concerns, and summarize for the public and the Commissioners those comments that were received and any changes made, thus allowing the Commissioners to focus their direction on comments of interest or significance.

Ms. Stephenson suggested that perhaps the purpose of the ad hoc Committee would be to review the comment log and changes made, address the comments, then the Commission could provide any additional direction if there was something of concern.

Staff noted it will also put together all substantive Commissioner comments from today’s meeting.

Commissioner Wagenknecht supported the idea of a two-person committee to review comments.

He also suggested the small water companies who may have no protection be included in the MSR.

Commissioner Mohler suggested staff and consultant put together comments of significance for the ad hoc Committee in order to have a focused discussion.

Chair Leary asked Commissioners who would be interested in being on the ad hoc Committee.

The Commission nominated Vice Chair Dillon and Commissioner Mohler to form a committee along with the Executive Officer to address the comments from the MSR.

Upon motion by Commissioner Wagenknecht and second by Commissioner Rodeno, the Commission appointed Commissioners Dillon and Mohler to the ad hoc MSR Comments Committee.

Staff will coordinate the committee meetings in the next few weeks:

VOTE:

AYES:	<u>WAGENKNECHT, RODENO, DILLON, LEARY AND MOHLER</u>
NOES:	<u>NONE</u>
ABSENT:	<u>NONE</u>
ABSTAIN:	<u>NONE</u>

7. ACTION ITEMS – continued:

d) Legislative Report

The Commission received a report on legislative items affecting LAFCOs. The recommended action is for the Commission to authorize the Executive Officer to submit letters to the Assembly Appropriations Committee and Senator Anna Caballero opposing the proposed pending amendments to Senate Bill 414.

The Commission’s Legislative Committee, comprised of Vice Chair Dillon and Commissioner Mohler, along with the Executive Officer met on March 9, 2020, and reviewed 30 bills that were being tracked by CALAFCO at the time. The Committee agreed to watch several bills and potentially return with recommended positions for the full Commission’s consideration at a future meeting. However, in response to the COVID-19 pandemic, the Legislature adjusted its priorities and many bills that affected LAFCOs were suspended or withdrawn including all bills being watched by the Committee. At this time, the Legislature’s focus is on bills related to COVID-19, education, fire response and prevention, and public safety reform.

One the bills, Senate Bill (SB) 414, relating to Small System Water Authority Act is relevant to the Commission and is being watched by the Committee. CALAFCO recently released an urgent call for action requesting all individual LAFCOs take a formal position opposing the proposed pending amendments to SB 414. The negative impacts of the amendments are further described in the draft letters of opposition, which were provided to the Commission in the staff report.

The Commission has not taken a position on SB 414 to date. However, given the urgent nature and the bill’s potential relevance to certain recommendations in the Commission’s Countywide Water and Wastewater Municipal Service Review, staff believes it is imperative to take a position on the pending amendments. With this in mind, it was recommended the Commission authorize the Executive Officer to submit the draft letters with any desired changes to the Assembly Appropriations Committee and Senator Anna Caballero opposing the pending amendments. Staff provided a full report on Senate Bill 414, as it relates to LAFCO’s existing authority. The recommended action was for the Commission to authorize the Executive Officer to submit formal letters opposing the pending amendments for Senate Bill 414.

Vice Chair Dillon questioned why two letters would be required.

Pamela Miller, CALAFCO Director was present and answered that one of the letters is to the Appropriations Committee, which deals with the fiscal aspects, and the other letter, which is to the Senator, involves fiscal and policy issues.

Chair Leary thanked Pamela Miller for the clarification regarding the two letters in question. Upon motion by Commissioner Mohler and second by Commission Dillon, the Commission authorized the Executive Officer to submit formal letters opposing the proposed pending amendments to Senate Bill 414, with all of the Commissioners names listed on the letters:

VOTE:

AYES:	<u>MOHLER, DILLON, LEARY, RODENO AND WAGENKNECHT</u>
NOES:	<u>NONE</u>
ABSENT:	<u>NONE</u>
ABSTAIN:	<u>NONE</u>

7. ACTION ITEMS – continued:

e) Outreach Committee Update

The Commission received an update from the ad hoc Outreach Committee on potential strategies and resources needed to provide outreach and education to the general public related to LAFCO activities.

Analyst Dawn Mittleman Longoria presented this item.

The Committee (Commissioners Kahn and Leary) met on July 20, 2020, and considered the significant impacts of COVID-19 with respect to previously discussed outreach strategies.

The Committee concluded the plan and its implementation should be flexible to accommodate changed conditions. The Committee agreed upon a Draft Outreach Plan as described in the staff report, entitled: *Napa LAFCO at a Glance*.

Topics include: Who is the target audience (such as newly elected officials), what resources are available, and what strategies are possible based on available resources.

The goals of the draft outreach plan include building trust in the community; providing transparency; making LAFCO more visible and less obscure; and providing reliable and consistent facts.

The implementation strategy was also reviewed. Complete details are listed in the staff report.

The recommended action was for the Commission to provide direction to staff and/or the Outreach Committee to initiate any additional outreach efforts.

Commissioner Kahn suggested reaching out to newly elected officials.

Chair Leary noted that the Committee is cognizant of the budget and is not looking at spending a lot of money, but utilizing resources already available. He also suggested the Commission consider a student intern, and perhaps even providing a stipend for the intern.

Commissioner Wagenknecht suggested when the Outreach Committee does begin their work to contact him and Commissioner Gregory (Board of Supervisors) and they will work with the Committee.

f) CALAFCO Voting Delegates and Board Nominations

The Commission considered appointing voting delegates to represent the Commission for the California Association of Local Agency Formation Commissions (CALAFCO) Board of Directors election and making nominations for the CALAFCO Board.

Analyst Dawn Mittleman Longoria presented this item, noting the CALAFCO Annual Conference has been cancelled this year, and that the annual Board elections will occur electronically.

The Commission was asked to appoint one regular voting delegate and one alternate voting delegate for the Board of Directors election. Past practice has been to appoint the Chair and Vice Chair.

This year’s Board elections for the Coastal Region involve the County and District Member seats.

The Commission does not have special district representation, therefore, the only eligible candidates for the Board seat are Vice Chair Dillon, Commissioner Wagenknecht, and Alternate Commissioner Gregory (County members). No County Member expressed interest or was nominated for the CALAFCO Board.

Commissioner Mohler is serving a 2nd term, which expires October 2021 as the Coastal City Member.

Upon motion by Commissioner Wagenknecht and second by Commissioner Mohler, the Commission formally nominated Commissioners Leary and Dillon to serve as Napa’s voting delegate and alternate delegate, respectively, for the CALAFCO Board elections:

VOTE:

AYES:	<u>WAGENKNECHT, MOHLER, DILLON, LEARY AND RODENO</u>
NOES:	<u>NONE</u>
ABSENT:	<u>NONE</u>
ABSTAIN:	<u>NONE</u>

8. **COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS**
Chair Leary and Commissioner Mohler both agreed to wrap up the current MSR.

9. **ADJOURNMENT TO NEXT REGULAR SCHEDULED MEETING**
The meeting adjourned at 4:28 PM. The next regular LAFCO meeting is scheduled for Monday, October 5, 2020 at 2:00 PM.
It is anticipated the meeting will be held telephonically due to COVID-19 in compliance with California Governor Gavin Newsom's Executive Order N-29-20.

Kenneth Leary, LAFCO Chair

ATTEST:
Dawn Mittleman Longoria, Analyst II

Prepared by:

Kathy Mabry, Commission Secretary



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 5b (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: October 5, 2020

SUBJECT: Proposed Amendment No. 2 to Contract with Policy Consulting Associates, LLC

RECOMMENDATION

It is recommended the Commission approve the proposed Amendment No. 2 to the consulting services contract with Policy Consulting Associates, LLC (hereinafter “PCA”), included as Attachment One.

BACKGROUND AND SUMMARY

PCA began providing the Commission with consulting services by contract on November 15, 2018. Under the contract, PCA is preparing the Commission’s Countywide Water and Wastewater Municipal Service Review. The contract includes a progress payment schedule that is structured such that monthly invoice payments are appropriately limited and distributed over the term of the contract, which was originally scheduled to expire on February 29, 2020.

On February 3, 2020, the Commission approved an amendment to extend the term of the contract through December 31, 2020, and modify the progress payment schedule to extend through August 2020. The current contract is included as Attachment Two.

The contract specifies a maximum payment amount of \$169,875. At the end of August, the remaining contract balance totaled \$25,500.71. PCA has continued work on the project beyond August and the Commission is unable to pay invoices unless they are consistent with the progress payment schedule. Staff recommends the Commission approve an amendment that would eliminate the progress payment schedule and authorize invoice payments to PCA through December 2020, not to exceed the \$25,500.71 balance, which would be consistent with the current term of the contract.

ATTACHMENTS

- 1) Proposed Amendment No. 2 to Contract with PCA
- 2) PCA Contract and Amendment No. 1

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

**AMENDMENT NO. 2 TO
PROFESSIONAL SERVICES AGREEMENT NO. 190170D
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AND POLICY CONSULTING ASSOCIATES LLP**

This Amendment No. 2 to the Professional Services Agreement No. 190170D (“Agreement”) between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California (hereinafter “LAFCO”), and Policy Consulting Associates LLP (hereinafter “PCA”), a Nevada limited liability company, shall be effective October 5, 2020.

WHEREAS, LAFCO entered into the Agreement on November 15, 2018, for PCA to provide consulting services to LAFCO to prepare a Countywide Water and Wastewater Municipal Service Review;

WHEREAS, the parties entered into Amendment No. 1 on February 3, 2020, to extend the term of the Agreement and the progress payment schedule; and

WHEREAS, the parties now wish to enter into this Amendment No. 2 to eliminate the progress payment schedule and authorize payment of monthly invoices through December 2020.

NOW, THEREFORE, the parties agree as follows:

1. Exhibit C, PAYMENT. Exhibit C, PAYMENT, is hereby amended to eliminate the progress payment schedule. As of the date of this Amendment No. 2, approximately \$25,500.71 of the total Agreement compensation amount of \$169,875 remains to be paid for services to be rendered pursuant to the Agreement. The Consultant will submit monthly invoices in September through December 2020 not to exceed a total amount of \$25,500.71 and cumulative Agreement amount of \$169,875.
2. Except as expressly amended herein, all terms and conditions of the Agreement as amended by Amendment No. 1 and Amendment No. 2 shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING.

POLICY CONSULTING ASSOCIATES LLP

LAFCO OF NAPA COUNTY

By: _____
Jennifer Stephenson
Principal

By: _____
Kenneth Leary
LAFCO Chair

By: _____
Brendon Freeman
LAFCO Executive Officer

**AMENDMENT NO. 1 TO
PROFESSIONAL SERVICES AGREEMENT NO. 190170D
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AND POLICY CONSULTING ASSOCIATES LLP**

This Amendment No. 1 to the Professional Services Agreement No. 190170D (“Agreement”) between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California (hereinafter “LAFCO”), and Policy Consulting Associates LLP (hereinafter “PCA”), a Nevada limited liability company, shall be effective February 3, 2020.

WHEREAS, LAFCO entered into the Agreement on November 15, 2018, for PCA to provide consulting services to LAFCO to prepare a Countywide Water and Wastewater Municipal Service Review;

WHEREAS, the parties now wish to enter into this Amendment No. 1 to extend the term of the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Term of the Agreement.

Paragraph 1. Term of the Agreement, is hereby amended to extend the term of the Agreement through December 31, 2020. All other provisions of Paragraph 1 of the Agreement shall remain in full force and effect.


2. Exhibit C, PAYMENT. Exhibit C, PAYMENT, is hereby amended to modify the progress payment schedule to reflect the extended agreement term. As of the date of this Amendment No. 1, approximately \$34,632.67 of the total Agreement compensation amount of \$169,875 remains to be paid for services to be rendered pursuant to the Agreement. The parties hereby agree that Consultant will submit monthly invoices and will be paid as follows, provided the cumulative Agreement total shall not exceed \$169,875.

Month	Cumulative Amount Not To Be Exceeded
Mar-20	\$ 5,500.00
Apr-20	\$ 8,500.00
May-20	\$ 10,750.00
Jun-20	\$ 13,000.00
Jul-20	\$ 14,632.67
Aug-20	\$ 34,632.67

3. Except as expressly amended herein, all terms and conditions of the Agreement as amended by Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING.

POLICY CONSULTING ASSOCIATES LLP

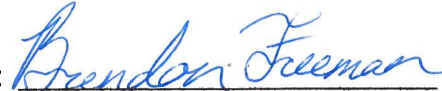
By: 

Oxana Wolfson
Principal

LAFCO OF NAPA COUNTY

By: 

Gregory Rodeno
LAFCO Chair

By: 

Brendon Freeman
LAFCO Executive Officer

AGREEMENT NO. 190170D

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of this 15th day of November, 2018, by and between the Local Agency Formation Commission of Napa LAFCO, a political subdivision of the State of California, hereinafter referred to as "LAFCO", and Policy Consulting Associates, LLC, a Nevada limited liability company, hereinafter referred to as CONTRACTOR.

RECITALS

WHEREAS, LAFCO wishes to obtain specialized services in order to conduct a countywide review of water and wastewater services in Napa County ; and

WHEREAS, CONTRACTOR represents that it is qualified and willing to provide such specialized services to LAFCO under the terms and conditions set forth herein.

TERMS

NOW, THEREFORE, LAFCO hereby engages the services of CONTRACTOR, and CONTRACTOR agrees to serve LAFCO in accordance with the terms and conditions set forth herein:

1. **Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on February 29, 2020, unless terminated earlier in accordance with Paragraphs 9 (Termination for Cause), or 23(a) (Covenant of No Undisclosed Conflict), except that the obligations of the parties under Paragraphs 7 (Insurance) and 8 (Indemnification) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to LAFCO shall also continue after said expiration date or early termination in relation to the obligations prescribed by Paragraphs 15 (Confidentiality), 20 (Taxes) and 21 (Access to Records/Retention).
2. **Scope of Services.** CONTRACTOR shall provide LAFCO those services set forth in Exhibit "A", attached hereto and incorporated by reference herein, regarding a Countywide Water and Wastewater Municipal Services Review. CONTRACTOR may use an alternate manner than outlined in Exhibit "A" to meet the project aims and goals at the discretion of the LAFCO Executive Officer. All work performed by CONTRACTOR under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONTRACTOR's field of expertise.
3. **Compensation.**
 - (a) **Rates.** In consideration of CONTRACTOR's fulfillment of the promised work, LAFCO shall pay CONTRACTOR at the rates set forth in Exhibit "B", attached hereto and incorporated by reference herein.
 - (b) **Expenses.** Travel and other expenses will be reimbursed by LAFCO upon

submission of an invoice in accordance with Paragraph 4 at the rates and/or in accordance with the policy(s) set forth in Exhibit "B."

(c) Maximum Amount. Notwithstanding subparagraphs (a) and (b), the maximum payments under this Agreement shall be a total of \$169,875 for professional services and related expenses; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and expenses actually incurred. In no instance shall LAFCO be liable for any payments or costs for work in excess of this amount, nor for any unauthorized or ineligible costs. CONTRACTOR shall be paid at the times and in the manner set forth in this Agreement. The consideration to be paid CONTRACTOR, as provided in this Agreement, shall be in compensation for all of CONTRACTOR's expenses incurred in the performance of work under this Agreement, including travel and expenses, unless otherwise expressly so provided.

4. **Method of Payment.**

(a) Invoices. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to LAFCO of an itemized billing invoice in a form acceptable to the LAFCO Executive Officer which indicates, at a minimum, CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or, where compensation is on a per-task basis, a description of the tasks completed during the billing period, the person(s) actually performing the services and the position(s) held by such person(s), and the approved hourly or task rate. Invoices shall also indicate the number of hours worked by each of CONTRACTOR's personnel and reimbursable costs incurred to the date of such billing since the date of the preceding billing, if any. The invoices shall include documentation of reimbursable expenses and other invoiced items sufficient for LAFCO, in its opinion, to substantiate billings.

(b) CONTRACTOR shall submit invoices not more often than monthly to the Executive Officer. Approved invoices shall be submitted to the Napa County Auditor for payment no later than fifteen (15) calendar days following receipt. CONTRACTOR shall be notified within fifteen (15) calendar days following receipt of its invoice by LAFCO of any circumstances or data identified by LAFCO in CONTRACTOR's written billing which would cause withholding of approval and subsequent payment. LAFCO reserves the right to withhold payment of disputed amounts. LAFCO shall pay CONTRACTOR the amount set forth in Exhibit "C" (Payment), attached hereto and incorporated herein by reference, subject to all the terms and conditions contained herein.

(c) Legal status. So that LAFCO may properly comply with its reporting obligations under federal and state laws pertaining to taxation, if CONTRACTOR is or becomes a corporation during the term of this Agreement, proof that such status is currently recognized by and complies with the laws of both the state of incorporation or organization and the State of California, if different, shall be provided to the LAFCO Executive Officer upon request in a form satisfactory to the LAFCO Executive Officer. Such proof shall include, but need not be limited to, a copy of any annual or other periodic filings or registrations required by the state of origin or California, the current address for service of process on the corporation or limited liability partnership, and the name of any agent designated for service of process by CONTRACTOR within the State of California.

5. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. CONTRACTOR and the officers, agents and employees of

CONTRACTOR are not, and shall not be deemed, LAFCO employees for any purpose, including workers' compensation and employee benefits. CONTRACTOR shall, at CONTRACTOR's own risk and expense, determine the method and manner by which duties imposed on CONTRACTOR by this Agreement shall be performed; provided, however, that LAFCO may monitor the work performed by CONTRACTOR. LAFCO shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

6. **[Reserved.]**

7. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) **Workers' Compensation insurance.** To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide LAFCO with certification of all such coverages as set forth in subsection (c), below.

(b) **Liability insurance.** CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverages, issued by a company admitted to do business in California and having an A.M. Best rating of A:VII or better or equivalent self-insurance:

(1) **General Liability.** Commercial general liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement. If the coverage includes an aggregate limit, the aggregate limit shall be no less than twice the per occurrence limit.

(2) **Professional Liability/Errors and Omissions.** Professional liability [or errors and omissions] insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

(3) **Comprehensive Automobile Liability Insurance.** Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) combined single limit per occurrence.

(c) **Certificates.** All insurance coverages referenced in 7(a) and (b), above, shall be evidenced by one or more certificates of coverage or, with the consent of LAFCO's Risk Manager, demonstrated by other evidence of coverage acceptable to LAFCO's Risk Manager, which shall be filed by CONTRACTOR with LAFCO's Executive Officer prior to commencement of performance of any of CONTRACTOR's duties. Such certificate(s) shall (1) reference this Agreement by its LAFCO number or title; (2) shall provide that LAFCO shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium; and (3)

shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(d) For the commercial general liability insurance coverage referenced in 7(b)(1) and the comprehensive automobile liability insurance coverage referenced in 7(b)(3), CONTRACTOR shall also file with the evidence of coverage, an endorsement from the insurance provider naming LAFCO, its officers, employees, agents and volunteers as additional insureds and waiving subrogation. The certificate or other evidence of coverage shall also provide that if the same policy applies to activities of CONTRACTOR not covered by this Agreement then the limits in the applicable certificate relating to the additional insured coverage of LAFCO shall pertain only to liability for activities of CONTRACTOR under this Agreement, and that the insurance provided is primary coverage to LAFCO with respect to any insurance or self-insurance programs maintained by LAFCO. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Upon request by LAFCO's Risk Manager, CONTRACTOR shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

(e) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, LAFCO's Risk Manager, which approval shall not be denied unless the LAFCO's Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of CONTRACTOR by this Agreement. At the option of and upon request by LAFCO's Risk Manager, if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects LAFCO, its officers, employees, agents and volunteers, or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

8. **Hold Harmless/Defense/Indemnification.**

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify LAFCO and the officers, agents, employees and volunteers of LAFCO from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, including any patent or copyright infringements, but excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of LAFCO or its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and periodic rechecks to the extent permitted by law. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold LAFCO and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

9. Termination.

(a) LAFCO shall have the right to terminate this Agreement for any reason, with or without cause, at any time, by giving CONTRACTOR fifteen (15) days written notice. The notice shall be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, addressed to CONTRACTOR at the address indicated in Section 13.

(b) If LAFCO issues a notice of termination:

(1) Contractor shall immediately cease rendering services pursuant to this Agreement.

(2) Contractor shall deliver to LAFCO copies of all Writings, whether or not completed, which were prepared by CONTRACTOR, its employees or its subcontractors, if any, pursuant to this Agreement. The term "Writings" shall include, but not be limited to, handwriting, typesetting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including, letters, works, pictures, sounds, symbols computer data, or combinations thereof. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by CONTRACTOR under this Agreement shall be deemed a "work made for hire" for purposes of copyright or patent law and only LAFCO shall be entitled to claim or apply for the copyright or patent thereof.

(3) LAFCO shall pay CONTRACTOR for work actually performed up to the effective date of the notice of termination, subject to the limitations in Section 3, less any compensation to LAFCO for damages suffered as a result of CONTRACTOR's failure to comply with the terms of this Agreement. Such payment shall be in accordance with Section 4. However, if this Agreement is terminated because the work of CONTRACTOR does not meet the terms or standards specified in this Agreement, then LAFCO shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which is of benefit to LAFCO. LAFCO may withhold any payments not yet made to CONTRACTOR for purpose of setoff until such time as the exact amount of damages due to LAFCO from CONTRACTOR is determined.

10. **Time.** Time is of the essence in this Agreement.

11. **Campaign Contribution Disclosure.** CONTRACTOR has complied with the campaign contribution disclosure provisions of the California Levine Act (Government Code § 84308) and has completed the Levine Act Disclosure Statement attached hereto as Exhibit "D."

12. **No Waiver.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

13. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LAFCO

Brendon Freeman, Executive Officer
1030 Seminary Street, Suite B
Napa, CA 94559

CONTRACTOR

Policy Consulting Associates, LLC
5050 Laguna Blvd #112-711
Elk Grove, CA 95758

14. **Confidentiality.** Confidential information is defined as all information disclosed to CONTRACTOR which relates to LAFCO's past, present, and future activities, as well as activities under this Agreement. CONTRACTOR shall hold all such information as CONTRACTOR may receive, if any, in trust and confidence, except with the prior written approval of LAFCO, expressed through its Executive Officer. Upon cancellation or expiration of this Agreement, CONTRACTOR shall return to LAFCO all written and descriptive matter which contains any such confidential information, except that CONTRACTOR may retain for its files a copy of CONTRACTOR's work product if such product has been made available to the public by LAFCO.

15. **No Assignments or Subcontracts.**

(a) In general. A consideration of this Agreement is the personal reputation of CONTRACTOR; therefore, CONTRACTOR shall not assign any interest in this Agreement or subcontract any of the services CONTRACTOR is to perform hereunder without the prior written consent of LAFCO, which shall not be unreasonably withheld. The inability of the assignee to provide personnel equivalent in experience, expertise, and numbers to those provided by CONTRACTOR, or to perform any of the remaining services required under this Agreement within the same time frame required of CONTRACTOR shall be deemed to be reasonable grounds for LAFCO to withhold its consent to assignment. For purposes of this subparagraph, the consent of LAFCO may be given by the Executive Officer.

(b) Effect of Change in Status. If CONTRACTOR changes its status during the term of this Agreement from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this Agreement by CONTRACTOR. Failure of CONTRACTOR to obtain approval of such assignment under this Paragraph shall be viewed as a material breach of this Agreement.

16. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties. In particular, only LAFCO, through its Commission in the form of an amendment of this Agreement, may authorize extra and/or changed work if beyond the scope of services prescribed by Exhibit "A". Failure of CONTRACTOR to secure such authorization in writing in advance of

performing any of the extra or changed work shall constitute a waiver of any and all rights to adjustment in the contract price or contract time and no compensation shall be paid for such extra work.

17. Interpretation; Venue.

(a) Interpretation. The headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify, or place any interpretation upon any of the provisions of this Agreement. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

18. Compliance with Laws. CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Non-Discrimination. During the performance of this Agreement, CONTRACTOR and its subcontractors shall not deny the benefits thereof to any person on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or political affiliation or belief nor shall they discriminate unlawfully against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave or political affiliation or belief. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to CONTRACTOR services or works required of LAFCO by the State of California pursuant to agreement between LAFCO and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and CONTRACTOR and any of its subcontractors shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other agreements.

(b) Documentation of Right to Work. CONTRACTOR agrees to abide by the

requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of CONTRACTOR performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation available upon request to LAFCO for inspection.

(c) Americans with Disabilities Act (ADA) of 1990. By signing this Agreement, CONTRACTOR assures LAFCO that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101, et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA, including but not limited to those found within the Code of Federal Regulations, title 49, parts 27, 37, and 38.

(d) Drug-Free Certification. By signing this Agreement, CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

(1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited, and specifying actions to be taken against employees for violations.

(2) Establish a Drug-Free Awareness Program to inform employees about:

- i. The dangers of drug abuse in the workplace;
- ii. The person's or the organization's policy of maintaining a drug-free workplace;
- iii. Any available counseling, rehabilitation, and employee assistance programs; and
- iv. Penalties that may be imposed upon employees for drug abuse violations.

(3) Every employee of CONTRACTOR who works under this Agreement shall:

- i. Receive a copy of CONTRACTOR's Drug-Free Workplace Policy Statement; and
- ii. Agree to abide by the terms of Contractor's Statement as a condition of employment on this Agreement.

(e) Union Organizing: By signing this Agreement, CONTRACTOR hereby acknowledges the applicability of Government Code § 16645 through § 16649 to this Agreement, excluding § 16645.2 and § 16645.7.

(1) CONTRACTOR will not assist, promote, or deter union organizing by employees performing work on this Agreement if such assistance, promotion, or deterrence contains a threat of reprisal or force, or a promise of benefit.

(2) CONTRACTOR will not meet with employees or supervisors on LAFCO or state property if the purpose of the meeting is to assist, promote, or deter union organizing, unless the property is equally available to the general public for meetings.

(3) No funds received from LAFCO under this Agreement shall be used to assist, promote, or deter union organizing.

(f) Inclusion in Subcontracts. To the extent any of the services required of CONTRACTOR under this Agreement are subcontracted to a third party, CONTRACTOR shall include all of the provisions of this Paragraph in all such subcontracts as obligations of the subcontractor.

19. **Taxes.** CONTRACTOR agrees to file federal and state tax returns or applicable withholding documents and to pay all applicable taxes or make all required withholdings on amounts paid pursuant to this Agreement and shall be solely liable and responsible to make such withholdings and/or pay such taxes and other obligations including, without limitation, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold LAFCO harmless from any liability it may incur to the United States or the State of California as a consequence of CONTRACTOR's failure to pay or withhold, when due, all such taxes and obligations. In the event that LAFCO is audited for compliance regarding any withholding or other applicable taxes or amounts, CONTRACTOR agrees to furnish LAFCO with proof of payment of taxes or withholdings on those earnings.

20. **Access to Records/Retention.** LAFCO, any federal or state grantor agency funding all or part of the compensation payable hereunder, the State Controller, the Comptroller General of the United States, or the duly authorized representatives of any of the above, shall have access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, CONTRACTOR shall maintain all required records for at least seven (7) years after LAFCO makes final payment for any of the work authorized hereunder and all pending matters are closed, whichever is later.

21. **Authority to Contract.** CONTRACTOR and LAFCO each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

22. **Conflict of Interest.**

(a) **Covenant of No Undisclosed Conflict.** The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. CONTRACTOR hereby covenants that it presently has no interest not disclosed to LAFCO and shall not, during the term of this Agreement, acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of its services or confidentiality obligation hereunder, except as such as LAFCO may consent to in writing prior to the acquisition by CONTRACTOR of such conflict. CONTRACTOR further warrants that it is unaware of any financial or economic interest of any public officer or employee of LAFCO relating to this Agreement. CONTRACTOR agrees that if such financial interest does exist at the inception of this Agreement, LAFCO may terminate this Agreement immediately upon giving written notice without further obligation by LAFCO to CONTRACTOR under this Agreement.

(b) **Statements of Economic Interest.** CONTRACTOR acknowledges and understands that LAFCO has developed and approved a Conflict of Interest Code as required by state law which requires CONTRACTOR to file with the LAFCO Executive Officer "assuming office", "annual", and "leaving office" Statements of Economic Interest as a "consultant", as defined in section 18701(a)(2) of Title 2 of the California Code of Regulations, unless it has been determined in writing that CONTRACTOR, although holding a "designated" position as a consultant, has been hired to perform a range of duties so limited in scope as to not be required to fully comply with such disclosure obligation.

23. **Non-Solicitation of Employees.** Each party agrees not to solicit for employment the employees of the other party who were directly involved in the performance of the services

hereunder for the term of this Agreement and a period of six (6) months after termination of this Agreement except with the written permission of the other party, except that nothing in this Paragraph shall preclude either party from publishing or otherwise distributing applications and information regarding that party's job openings where such publication or distribution is directed to the public generally.

24. Ownership; Permission.

- a. CONTRACTOR agrees that all work products, including but not limited to, notes, designs, drawings, reports, memoranda, and all other tangible personal property produced in the performance of this Agreement, shall be the sole property of LAFCO, provided that CONTRACTOR may retain file copies of said work products. CONTRACTOR shall provide said work products to LAFCO upon request.
- b. CONTRACTOR represents and warrants that: (i) all materials used or work products produced in the performance of this Agreement, including, without limitation, all computer software materials and all written materials, are either owned by or produced by CONTRACTOR or that all required permissions and license agreements have been obtained and paid for by CONTRACTOR; and (ii) LAFCO is free to use, reuse, publish or otherwise deal with all such materials or work products except as otherwise specifically provided in Exhibit "A." CONTRACTOR shall defend, indemnify and hold harmless LAFCO and its directors, officers, employees, and agents from any claim, loss, damage, cost, liability, or expense to the extent of any violation or falsity of the foregoing representation and warranty.
- c. Computer models and spreadsheets previously developed and owned by CONTRACTOR and modified in the performance of this Agreement shall not be the property of LAFCO unless such models and spreadsheets are explicitly and individually listed in a separate agreement for their transfer and use by LAFCO.

25. Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

26. Attorney's Fees. In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

27. Severability. If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

28. Entirety of Contract. This Agreement, including any documents expressly incorporated by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with

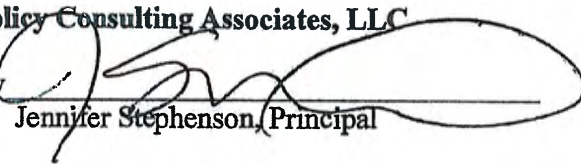
respect to the subject matter hereof.

29. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

Policy Consulting Associates, LLC

By 
Jennifer Stephenson, Principal

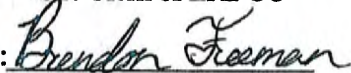
"CONTRACTOR"

Local Agency Formation Commission of Napa County, a political subdivision of the State of California

By 
Margie Mohler, Commission Chair

"LAFCO"

ATTEST: Clerk of LAFCO

By: 

APPROVED AS TO FORM
Commission Counsel
By: 
Date: 11-20-18

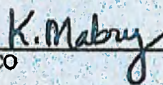
APPROVED BY LAFCO
Date: 11/20/18
Processed by: 
Clerk of LAFCO

EXHIBIT “A”

Scope of Work

TASKS 1&2: DATA COLLECTION AND REVIEW

As previously noted, PCA will review related documents and send out a questionnaire to request additional documents and any other information typically not available in these documents and central data sources. After reviewing the responses and documents, we will contact the agencies by phone or in person to obtain clarification on various topics of concern. Data collection and evaluation will be coordinated with the consultant engaged in the preparation of the Napa Valley Water Resources Study.

We propose to conduct one public workshop at this stage of the process to provide the constituents information about the MSR process and purpose and seek input if appropriate. We also propose to hold a stakeholder meeting* at the beginning of this stage to inform the agencies under review about the process and what to anticipate and to solicit issues of concern.

Alternatively, a social media site and other forms of internet engagement (e.g., announcements on agency websites, press releases, etc.) will be created if LAFCO agrees that these approaches will be a more effective public outreach tool compared to a public workshop.

Deliverables and meetings: 1 public workshop*, 1 stakeholder meeting*

TASK 3: ADMINISTRATIVE DRAFT MSR

Following data analysis, PCA will have identified the key issues requiring focused attention during this MSR effort. This will enable the dedication of prioritized analytical time and detailed investigation on those issues of paramount concern.

Upon completion of data gathering, all the information will be reviewed and analyzed, and compiled together into an MSR. We propose that first agency chapters be sent to the respective agencies for review and input to ensure accuracy of the information. This collaborative approach with the participating agencies will also help reduce the number of potentially contentious comments and avoid surprises before the public review process commences. After ensuring accuracy and finalizing the overview chapter, the MSR will then be sent to LAFCO staff for review.

Each agency’s profile will contain a map and a detailed description of the service provider’s background, population, disadvantaged unincorporated communities, governance, accountability practices, management structure, planning efforts, and financial adequacy, as well as a comprehensive description of each service provided, including the total number of service connections for each service, out-of-boundary services, overlapping service providers, collaborative service agreements, infrastructure and related needs, existing and anticipated capacity of the facilities, supply and demand projections, and findings on the degree of service adequacy according to several indicators. Key findings will be summarized in determinations and recommendations.

In preparing the agency description, we propose to incorporate benchmarking against industry standards and a variety of meaningful indicators of infrastructure needs and service adequacy, including, but not limited to the State system evaluation, drinking water quality, supply management, distribution system integrity, ability to replace infrastructure as necessary, and emergency preparedness.

Following data analysis and profile drafting, the consulting team will have identified the key issues requiring focused attention during this MSR effort. This will enable the dedication of prioritized analytical time and detailed investigation on those issues of paramount concern. Drawing upon our experience reviewing water and wastewater services, we will analyze adequacy based on rich statistical resources and sensitivity to the unique conditions under which each service provider operates. In order for the Commissioners and other stakeholders to understand the variety of services, we propose to include a chapter in the report offering an overview of various water and wastewater service providers in the county, their relationships, and benchmarking and comparative analyses. Additionally, incorporated in the Overview chapter will be the description of ways to improve water and wastewater service provision and evaluation of various governance structure alternatives, which in addition to traditional reorganization types will evaluate the need for services outside of current jurisdictional boundaries and SOIs and a possibility of creation of one or more municipal utility districts that would manage water, recycled water and wastewater for multiple jurisdictions. Evaluation of governance structure alternatives will include a summary of advantages and disadvantages; financial analysis of options is not included in the Scope of Work.

At this stage of the process we propose to hold a second stakeholder meeting* to inform the affected agencies of drafting progress and receive input.

Deliverables and meetings: Administrative Draft PDF and Word versions. 1 stakeholder meeting*

TASK 4: PUBLIC REVIEW DRAFT MSR

Based on LAFCO comments and edits received on the preliminary administrative draft MSR, PCA will make applicable changes to the document to ensure LAFCO satisfaction and submit the Draft MSR to Napa LAFCO for distribution to the Commission, affected agencies, and the public for review and comment. PCA and BA will present draft findings and recommendations from the MSR at the Commission meeting. Additionally, the consulting team will hold two public workshops* at this stage of the process to explain the MSR findings and seek public input.

Deliverables and meetings: Public Review Draft electronic PDF and Word versions. 2 public workshops*, 1 Commission meeting

TASK 5: FINAL DRAFT MSR

After the conclusion of the public review and comment period, PCA will address each comment received and make appropriate edits to the document satisfactory to LAFCO Staff and Commission. Changes to the document will be tracked and shown in the Final Draft versions of the MSR. The consulting team will present its final findings at the Commission meeting. We also propose to hold one public workshop* at this stage of the process to conduct public outreach regarding public comments received and how they affected the final findings.

Deliverables and meetings: Final Draft MSR electronic PDF and Word versions. 1 public workshop*, 1 Commission meeting

TASK 6: REVISED DRAFT FINAL MSR REPORT

Following the Commission adoption of the MSR, we will provide Napa LAFCO with the Final MSR report for distribution.

Deliverables and meetings: Final MSR electronic PDF and Word versions.

***Note: Stakeholder and public outreach will be conducted via a combination of face to face meetings, email, webinars, social media, teleconferences, press releases, town hall meetings and web-based town hall meetings, electronic polling, and other forms of personal, video, audio, and web-based forms of engagement.**

EXHIBIT "B"

Rates of Compensation/Expenses

PCA estimates the cost of preparing the Countywide Water and Wastewater MSR will not exceed \$169,875.

Policy Consulting Associates will submit invoices to LAFCO for services rendered based on the hourly rate of personnel and following each milestone reached.

The current billing rates for key personnel are as follows:

Principal: \$150

Jennifer Stephenson will serve as project co-manager and liaison between PCA and Napa LAFCO. She will meet with agency representatives, perform data analysis, draft MSR chapters, and present findings to the Commission.

Principal: \$150

Oxana Wolfson will be responsible for project management and day-to-day internal coordination of the consulting team members. She will oversee data accumulation, review internal drafts, and tactically guide the development of the project.

Principal: \$225

Richard Berkson will be responsible for the financial portion of the MSR. He will gather, analyze and draft financial data, including information related to revenues and expenditures, financial reserves, infrastructure financing, findings regarding fiscal health and financial adequacy, and recommended improvements.

2018 Billing Rate Schedule

(Effective January 1, 2018 through December 31, 2018) *

POSITIONS	LABOR CHARGES (DOLLARS PER HR)
ENGINEERING	
Principal/Vice President	\$285
Engineering/Scientist/Geologist Manager I / II	\$263 / \$274
Principal Engineer/Scientist/Geologist I / II	\$240 / \$254
Senior Engineer/Scientist/Geologist I / II	\$214 / \$225
Associate Engineer/Scientist/Geologist I / II	\$190 / \$203
Engineer/Scientist/Geologist I / II	\$154 / \$178
Engineering Aide	\$87
Administrative I / II / III / IV	\$78 / \$99 / \$119 / \$131
ENGINEERING TECHNOLOGY	
Engineering Tech Manager I / II	\$271 / \$281
Principal Tech Specialist I / II	\$250 / \$260
Senior Tech Specialist I / II	\$229 / \$239
Senior GIS Analyst	\$209
GIS Analyst	\$197
Technical Specialist I / II / III / IV	\$145 / \$166 / \$187 / \$208
CAD Manager	\$166
CAD Designer I / II	\$129 / \$144
CONSTRUCTION MANAGEMENT	
Senior Construction Manager	\$273
Construction Manager I / II / III / IV	\$166 / \$178 / \$190 / \$237
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	\$144 / \$160 / \$178 / \$185
Apprentice Inspector	\$131
CM Administrative I / II	\$71 / \$95

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- Mileage will be billed at the current Federal Rate and Travel will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

* This schedule is updated annually

2018 Billing Rate Schedule (continued)

(Effective January 1, 2018 through December 31, 2018) *

Equipment Charges

EQUIPMENT	BILLING RATES
Gas Detector	\$80/day
Hydrant Pressure Gage	\$10/day
Hydrant Pressure Recorder, Standard	\$40/day
Hydrant Pressure Recorder, Impulse (Transient)	\$55/day
Trimble GPS -- Geo 7x	\$220/day
Vehicle	\$10/hour
Water Flow Probe Meter	\$20/day
Water Quality Multimeter	\$185/day
Well Sounder	\$30/day

* This schedule is updated annually

EXHIBIT "C"
PAYMENT

1. Payment Demands.

a. Consultant will submit monthly invoices and will be paid as follows. Cumulative invoices shall not exceed the following cumulative totals:

Month	Cumulative Amount Not To Be Exceeded
November 2018	\$15,900
December 2018	\$40,500
January 2019	\$56,400
February 2019	\$72,300
March 2019	\$88,200
April 2019	\$100,200
May 2019	\$116,550
June 2019	\$128,550
July 2019	\$140,050
August 2019	\$155,900
September 2019	\$163,250
October 2019	\$166,075
November 2019	\$168,075
December 2019	\$169,875

Monthly invoice amounts are not restricted, however their cumulative totals shall not exceed those amounts shown in this paragraph.

b. Consultant shall present LAFCO with a final invoice upon completion of the project. The final invoice shall be subject to the cumulative overall project cap and shall not be subject to task-specific or Study-specific payment limits so long as costs are within the scope of the project.

c. Right to Withhold. LAFCO has the right to withhold payment to Consultant when, in the opinion of LAFCO expressed in writing to Consultant, (a) Consultant's performance, in whole or in part, either has not been carried out or is insufficiently documented, (b) Consultant has neglected, failed or refused to furnish information or to cooperate with any inspection, review or audit of its program, work or records; or (c) Consultant has failed to sufficiently itemize or document its demand(s) for payment.

EXHIBIT "D"
LEVINE ACT DISCLOSURE STATEMENT

(To be completed by all proposers on LAFCO consultant contracts)

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Please refer to the attachment for the complete statutory language.

Current members of the Napa County LAFCO are:

Gregory Rodeno	Diane Dillon
Margie Mohler	Brad Wagenknecht
Scott Sedgley	Ryan Gregory, Alternate
Kenneth Leary, Alternate	Erik Lawrence, Alternate

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any LAFCO Commissioner(s) in the 12 months preceding the date of the issuance of this request for proposal or request for qualifications? YES NO

If yes, please identify the Commissioner(s): _____

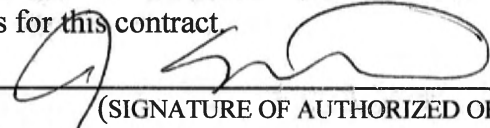
2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any LAFCO Commissioner(s) in the three months following the award of the contract?

YES NO

If yes, please identify the Commissioner(s): _____

Answering yes to either of the two questions above does not preclude LAFCO from awarding a contract to your firm. It does, however, preclude the identified Commissioners from participating in the contract award process for this contract.

11/15/18
DATE



 (SIGNATURE OF AUTHORIZED OFFICIAL)
JENNIFER STEPHENSON, PRINCIPAL
 (TYPE OR WRITE APPROPRIATE NAME, TITLE)
POLICY CONSULTING ASSOCIATES
 (TYPE OR WRITE NAME OF COMPANY)



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 6a (Information)

TO: Local Agency Formation Commission
PREPARED BY: Brendon Freeman, Executive Officer
MEETING DATE: October 5, 2020
SUBJECT: Current and Future Proposals

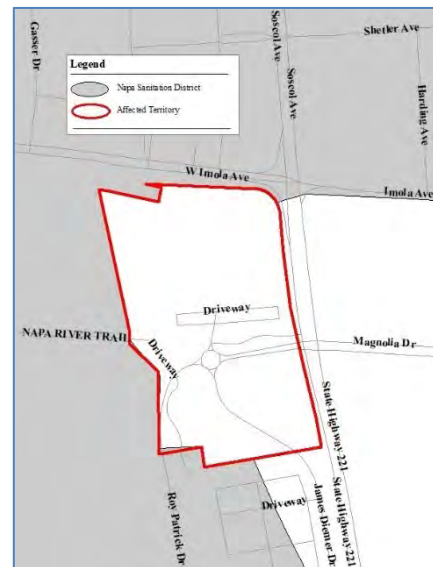
SUMMARY

This item is for information purposes only. California Government Code Section 56857 requires change of organization or reorganization proposals involving special districts to be placed on the agenda for the next Commission meeting for information purposes only. This report summarizes all proposed changes of organization or reorganization that have been submitted or are anticipated to be submitted to the Commission, regardless of which types of agencies will be affected. There are currently no active proposals on file and six anticipated new proposals expected to be submitted in the foreseeable future. A summary of anticipated proposals follows.

Anticipated Proposals

Magnolia Drive/State Highway 221 Annexation to Napa Sanitation District (NSD)

The Napa Valley College (NVC) has inquired about annexation of approximately 23 acres of incorporated territory to NSD. The subject territory comprises one parcel located in the City of Napa at 2277 State Route 221/Napa-Vallejo Highway and identified as Assessor Parcel Number 046-450-054 and is within NSD's sphere of influence (SOI). The purpose of annexation will be to facilitate an affordable residential housing project adjacent to NVC's main campus that would serve NVC students. The project would include a mix of apartments and traditional dorm-style units, study rooms and social gathering spaces, a new vehicle connection and parking lot, new pedestrian connections, and new wastewater and storm water infrastructure. NVC has prepared an initial study and adopted a mitigated negative declaration to address the requirements of the California Environmental Quality Act (CEQA). It is anticipated a proposal for annexation will be submitted within the next four months.



Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

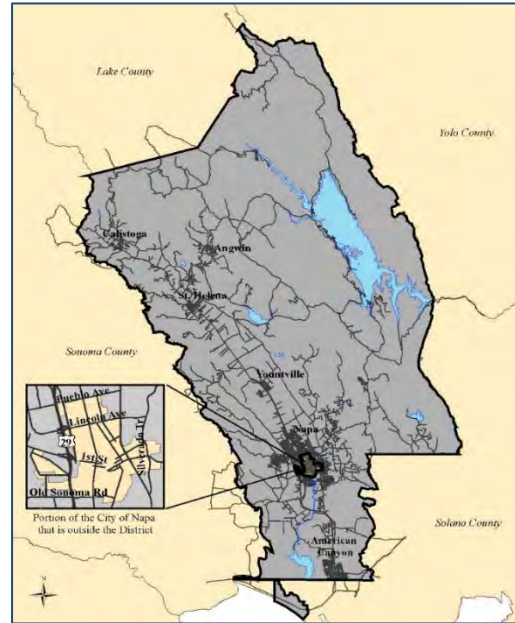
Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

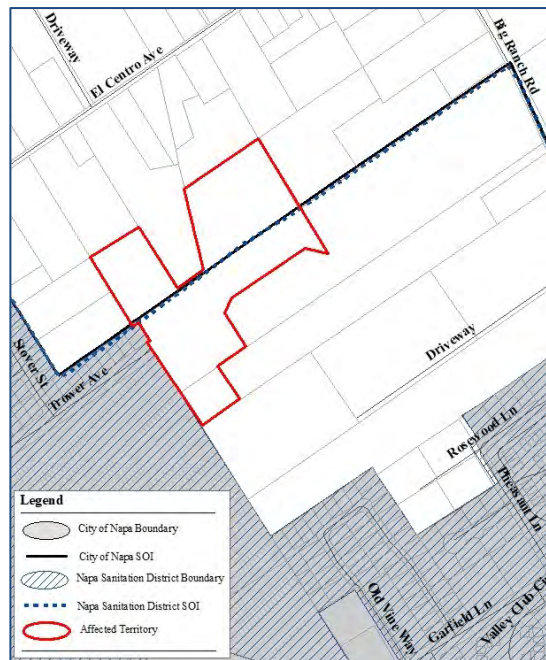
Napa County Resource Conservation District (NCRCD) Annexation

Staff from NCRCD has inquired about annexation of approximately 1,300 acres of incorporated territory located in the City of Napa. This area comprises the only remaining territory located within NCRCD's sphere of influence (SOI) but outside its jurisdictional boundary. The purpose of annexation would be to allow NCRCD to expand its service programs and hold public meetings within the affected territory; both activities are currently prohibited within the potential annexation area. In February 2020, the Commission approved a request from NCRCD for a waiver of the Commission's proposal processing fees. It is anticipated a proposal for annexation will be submitted within the next six months.



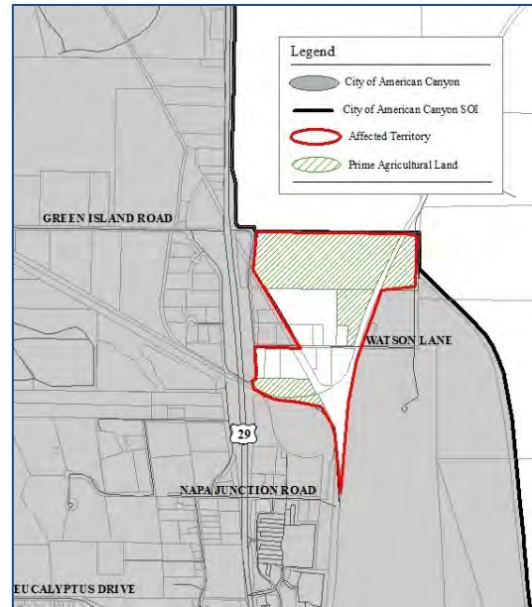
Vintage High School Farm Sphere of Influence Amendment and Annexation to NSD

The Napa Valley Unified School District (NVUSD) previously submitted a preliminary application for an SOI amendment and annexation of approximately 12.8 acres of territory involving NSD. The affected territory is unincorporated and contiguous to the City of Napa near the eastern terminus of Trower Avenue. The affected territory is currently undeveloped and designated for residential land use under the County of Napa General Plan. The purpose of the SOI amendment and annexation is to facilitate NVUSD's planned relocation of the educational farm and retain proximity to Vintage High School. The preliminary application is deemed incomplete until additional information and documents are submitted by NVUSD. It is important to note in February 2020, without taking formal action, the Commission signaled to NVUSD a willingness to waive its local policy requiring concurrent annexation to the City of Napa. It is anticipated a proposal will be submitted to amend NSD's SOI and annex the subject parcels to NSD within the next year.



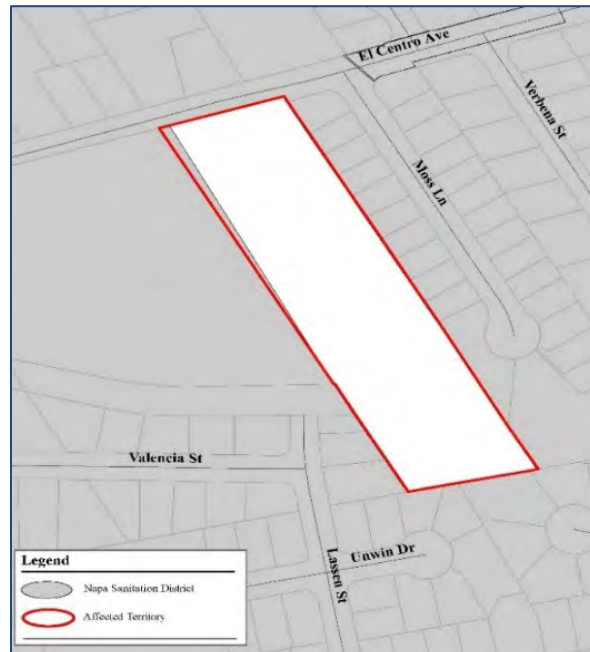
Watson Lane/Paoli Loop Annexation to the City of American Canyon

A landowner has submitted a notice of intent to circulate a petition to annex 16 parcels and a portion of railroad totaling approximately 77.7 acres of unincorporated territory to the City of American Canyon. The area is located within the City's SOI near Watson Lane and Paoli Loop. The area is also within the American Canyon Fire Protection District's jurisdictional boundary. The parcels are within an unincorporated pocket that is ineligible for the streamlined island annexation proceedings due to the existence of prime agricultural lands on five of the parcels. The purpose of annexation is to allow development of the area for industrial and residential purposes. Annexation would also help facilitate the extension of Newell Drive to South Kelly Road. Prior to submitting a proposal for annexation, the City must first amend its General Plan, prezone the majority of the area, negotiate a property tax sharing agreement with the County, and address the requirements of CEQA. It is anticipated a proposal for annexation will be submitted within the next year.



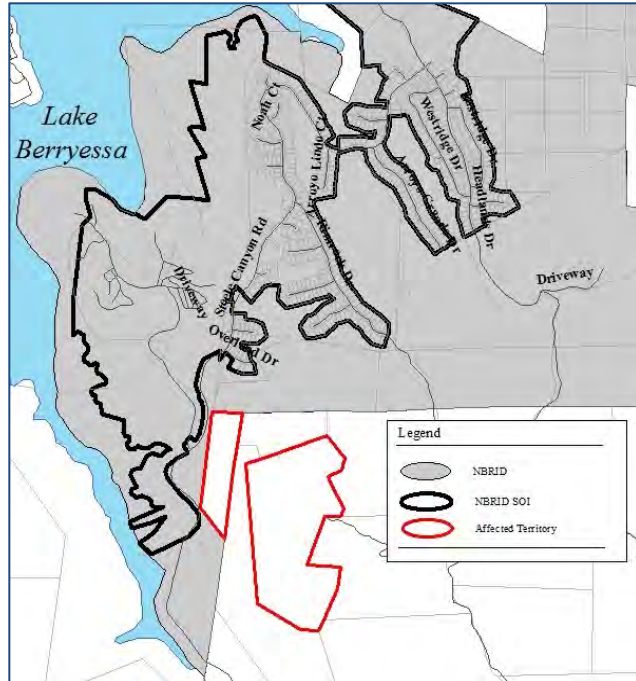
El Centro Avenue Annexation to NSD

A landowner inquired about annexation of one parcel to NSD. The parcel is located at 1583 El Centro Avenue, in the City of Napa, and in NSD's SOI. Current land uses within the subject parcel include a single-family residence and a planted vineyard. The purpose of annexation would be to facilitate a residential development project under the City's land use authority. Based on parcel size and the City's land use designation, annexation to NSD could potentially facilitate the future development of the subject parcel to include up to 36 total single-family residential units. The City has indicated an environmental impact report will be prepared for the residential development project. It is anticipated a proposal for annexation will be submitted within the next 18 months.



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

Staff from NBRID has inquired about annexation of the two unincorporated parcels comprising NBRID's two wastewater treatment plants. The wastewater treatment plants are owned by NBRID and located outside NBRID's SOI and boundary. The purpose of annexation would be to reduce NBRID's annual property tax obligations. The submittal of an application from the District to annex one or both of the parcels is expected to follow the Commission's action on a comprehensive SOI Update for NBRID, which will follow the completion of the Commission's Countywide Water and Wastewater Municipal Service Review.



ATTACHMENTS

None



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 6b (Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: October 5, 2020

SUBJECT: Work Program Progress Report

BACKGROUND

Local policy directs the Commission to annually adopt a Work Program for purposes of providing a comprehensive overview of agency activities over the course of the fiscal year. The Commission's financial and staff resources are predominantly allocated to studies and applications, which include municipal service reviews (MSRs), sphere of influence (SOI) updates, boundary change proposals, and outside service requests.

On June 1, 2020, the Commission adopted the *Work Program 2020-2021* ("Work Program"). Staff presents an informational progress report at each subsequent meeting to inform the Commission of pertinent updates.

SUMMARY

This item is for information purposes only and provides an update on progress made on the scheduled activities in the Work Program. This report also serves to inform the Commission of any changes in circumstances or priorities.

A Work Program progress chart is included as Attachment One. The following is an update on scheduled studies and applications.

Studies: MSRs and SOI Updates

- Countywide Water and Wastewater MSR
This MSR involves a comprehensive evaluation of all local government agencies that provide public water and/or wastewater service in Napa County. A final report for possible adoption is included on today's agenda as item 7a.

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

- City of St. Helena MSR and SOI Update
A preliminary draft MSR and SOI Update for the City of St. Helena was completed in August 2017. The City requested and the Commission granted an indefinite continuation. Staff will resume work on this MSR and SOI Update upon request by the City or direction from the Commission.
- Lake Berryessa Resort Improvement District SOI Update
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Napa Berryessa Resort Improvement District SOI Update
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Spanish Flat Water District SOI Update
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is April 2021.
- Napa Sanitation District SOI Update
This SOI Update will be based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is June 2021.
- City of Napa MSR and SOI Update
This MSR and SOI Update will be partially based on information contained in the Countywide Water and Wastewater MSR. The target completion date for this activity is December 2021.

Applications: Boundary Changes and Outside Service Agreements

- Annexation Proposals
There are currently no active proposals on file and six anticipated proposals. A report on current and future proposals is included on today's agenda as item 6a.
- Island Annexation Program
Staff has been coordinating with representatives of the City of Napa and the general public with respect to potential annexation of unincorporated islands. Staff recently update the Commission's website to include a new page dedicated entirely to island annexation information. A report summarizing the island annexation process with maps of each island is included on today's agenda as item 8a.
- Outside Service Agreements
There are no current outside service agreement requests at this time. There may be future outside service agreement requests from local agencies following adoption of a final Countywide Water and Wastewater MSR pursuant to California Government Code Section 56133.5.

ATTACHMENT

- 1) Work Program 2020-2021 Progress Chart

NAPA LAFCO WORK PROGRAM FY 2020-2021				
		Timeline	Lead	Comments
STUDIES	Countywide Water and Wastewater MSR (Comprehensive)	12/18 - 12/20	Consultant	See item 7a for possible adoption of a final report
	City of St. Helena MSR/SOI (Comprehensive)	TBD	Staff	Will resume at request of City or Commission
	Lake Berryessa Resort Improvement District SOI	12/20 - 4/21	Staff	Will follow from Water & Wastewater MSR
	Napa Berryessa Resort Improvement District SOI	12/20 - 4/21	Staff	Will follow from Water & Wastewater MSR
	Spanish Flat Water District SOI	12/20 - 4/21	Staff	Will follow from Water & Wastewater MSR
	Napa Sanitation District SOI	12/20 - 6/21	Staff	Will follow from Water & Wastewater MSR
	City of Napa MSR/SOI (Comprehensive)	12/20 - 12/21	Staff	Will follow from Water & Wastewater MSR
APPLICATIONS	Change of Organization/Reorganization Proposals (3-6/yr)	Ongoing	Staff	No active proposals; see item 6a
	Island Annexation Program	7/20 - 12/21	Staff	Staff is partnering with City of Napa and Napa County to align timing and process for island annexations
	Outside Service Agreement Requests (1-2/yr)	Ongoing	EO & Chair	None at this time
	Completion Proceedings for Approved Annexations (3-6/yr)	Ongoing	Staff	Staff continues processing annexations previously approved by Commission: terms and conditions, Certificates of Completion, GIS mapping, TRA determinations, Board of Equalization filings
PUBLIC OUTREACH	Conduct LAFCO Outreach; Agencies & Community Groups (6-10/mo)	Ongoing	Staff	Outreach Committee (Kahn & Leary) working on the strategies presented to Commission on 8/3/20
	Comments on Local Agency Projects (1-2/yr)	Ongoing	Staff	General Plan Updates, EIRs, Strategic Plans, etc.; none at this time
	Respond to Grand Jury Reports (0-1/yr)	Ongoing	Staff & Commission	Grand Jury recommendations for LAFCO; none at this time
	Annual Countywide Update on Housing and General Plans	June 2021	Staff	2020 report presented to Commission on 8/3/20
	Conduct Informational Workshops & Meetings	Ongoing	Staff	Virtual public workshop on Countywide Water & Wastewater MSR held on 7/13/20
	Public Records Requests (0-1/yr)	Ongoing	Staff	Requests from the public for specific LAFCO records; one recent request involving island annexation communication
	Website Maintenance and Updates	Ongoing	Staff	Meeting info, financial info, policies, public notices, maps, staff and Commissioner info, etc.; new page added for island annexation info
	Social Media: Meetings Notices and Announcements (10-15/yr)	Ongoing	Staff	Meeting info, public notices, press releases, etc.
COMMISSION	Expiring Commissioner Terms in 2021	May 2021	Staff	Terms for Commissioners Mohler and Gregory expire on 5/3/21; staff will present info item on 12/7/20
	2021 Chair and Vice Chair Designation	May 2021	Staff	Commissioners Dillon and Mohler become Chair and Vice Chair, respectively, on 5/3/21; staff will present info item on 4/5/21
	Statement of Economic Interest (Form 700)	April 2021	Secretary	Required for all Commissioners & EO upon entering office, leaving office, and annually by April 1
	Ethics Training	Ongoing	Secretary	Required for all Commissioners & EO every two years
	Develop 2021-2022 Budget	June 2021	Budget Committee	Two Commissioners will be appointed on 12/7/20 to serve on FY21-22 Budget Committee
	State Legislation Monitoring and Position Letters (2-4/yr)	Ongoing	Legislative Committee	Commissioners Dillon and Mohler serve on Legislative Committee; current two-year legislative session ends November 2020
	Policy Review and Revisions (2-4/yr)	Ongoing	Policy Committee	Commissioners Mohler and Rodeno serve on Policy Committee; Draft SOI Policy is currently under review by a technical working group
ADMINISTRATION	2019-2020 Audit	December 2020	Staff	To be prepared by Brown Armstrong and presented by Napa County Auditor-Controller
	Year-End Contracts Close-Out	June 2021	Secretary	Close out and re-encumber contracts at end of year
	Quarterly Budget Reports (4/yr)	Ongoing	Staff	Analysis of year-to-date and projected year-end revenues and expenses; 1st quarter report for FY 20-21 will be presented on 12/7/20
	Provide Strategic Plan Updates (2/yr)	Ongoing	Staff	Progress reports presented to Commission twice per year (typically February and August meetings)
	Verify Median Household Income Data to Identify DUCs	June 2021	Staff	Staff will review Census Bureau American Community Survey data (currently no known DUCs in Napa County)
	Develop Work Program	June 2021	Staff	Review with Budget Committee in conjunction with budget, present in June for adoption, present progress report at each regular meeting
	Electronic Document Management System Maintenance	Ongoing	Staff	Digitalization of historical and current agency records
	Geographic Information System Mapping Updates (3-6/yr)	Ongoing	Staff	GIS boundary layer edits for completed annexations
OTHER	2020 CALAFCO Annual Conference (Virtual)	TBD	Staff & Commission	Originally scheduled for 10/21/20 - 10/23/20 in Monterey; in-person Conference canceled and replaced with virtual sessions
	2021 CALAFCO Staff Workshop (Newport Beach)	3/17/21 - 3/19/21	Staff	Location: Hyatt Regency John Wayne Airport
	Bay Area LAFCO EO Meetings (1-2/yr)	Ongoing	EO & Analyst	Sharing information with other Bay Area LAFCOs; replaced with monthly statewide LAFCO EO teleconference meetings
	Monthly Statewide LAFCO EO Teleconference Meetings (26/yr)	Ongoing	EO & Analyst	Sharing information with other LAFCOs statewide
	CALAFCO Coastal Region Clerks Meetings (1-2/yr)	Ongoing	Secretary	Sharing information with the Coastal Region LAFCOs; replaced with monthly statewide LAFCO Clerks teleconference meetings
	Monthly Statewide LAFCO Clerks Teleconference Meetings (12/yr)	Ongoing	Secretary	Sharing information with other LAFCOs statewide
October 5, 2020 Progress Report				



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 6c (Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: October 5, 2020

SUBJECT: Executive Officer Report

SUMMARY

This report is for information only and provides a summary of the Executive Officer's (EO) recent activities as well as other miscellaneous items relevant to the Commission.

Municipal Management Association of Northern California

The Municipal Management Association of Northern California (MMANC) was formed in 1950 to address the professional needs of public managers. It is the oldest and one of the largest organizations of its kind in the nation. MMANC serves more than 600 members at various levels of local government organizations (analysts, division managers, directors, and assistant managers) across a variety of disciplines (city manager offices, parks and recreation, finance, information technology, utilities, human resources, police, and fire). The EO recently became a member of MMANC. The annual membership fee is \$75. MMANC will provide the EO with abundant opportunities to build government relationships and enhance leadership and management skills to benefit the Commission. Toward this end, the EO registered for the MMANC 2020 virtual conference at a cost of \$75. The conference spans four days with topics including emergency preparedness, values based leadership, tools to bring people together, and the future of the workplace.

CALAFCO Legislative Advisory Committee

The EO recently joined CALAFCO's Legislative Advisory Committee. This group consists of staff, legal counsel and CALAFCO Associate Member volunteers. The role of the Advisory Committee is to assist CALAFCO's Legislative Committee on an as-needed basis on certain pieces of legislation or legislative projects and to act as an expert feedback team. Advisory Committee members are encouraged, but not required, to attend the regular Legislative Committee meetings.

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

Leadership Napa Valley

The EO recently graduated from Leadership Napa Valley Class 33, which provided valuable education and training related to professional development, providing quality public service, and building meaningful relationships.

Recent Meetings and Other Activities

Subsequent to the Commission's regular meeting of August 3, 2020, the EO or Analyst II participated in the following notable activities related to LAFCO:

- August 6: Webinar titled "Navigating the Basics and Beyond - LAFCo 101 for LAFCo Staff"
- August 7: Teleconference meeting with Granicus representatives to discuss website upgrade options and public outreach strategies
- August 11: CALAFCO Executive Officers teleconference meeting
- August 13: Phone call with City of Napa Utilities Director Phil Brun to discuss Countywide Water and Wastewater Municipal Service Review (MSR)
- August 19: Webinar titled "Is Your Website in Need of a Refresh? 5 Must-Haves for an Amazing Digital Presence"
- August 20: Phone call with representatives for the anticipated Napa Valley College property annexation to the Napa Sanitation District
- August 25: Teleconference meeting with Planeteria to discuss website upgrade options to improve smartphone compatibility
- August 26: Webinar titled "Employee Engagement During COVID-19"
- September 4: MSR Comments Committee (Vice Chair Dillon and Commissioner Mohler) teleconference meeting with consultant to discuss responses to public comments received on the draft Countywide Water and Wastewater MSR
- September 8: CALAFCO Executive Officers teleconference meeting
- September 9: Phone call with Commissioner Rodeno to discuss various LAFCO matters
- September 9: Phone call with Chair Leary to discuss various LAFCO matters
- September 9: Phone call with State Water Resources Control Board Drinking Water Division to discuss issues relating to private community-serving water systems
- September 10: Meeting with City of Napa Planning and Code Enforcement Division Manager Erin Morris to discuss island annexation
- September 14: Phone call with St. Helena City Manager Mark Prestwich to discuss Countywide Water and Wastewater MSR
- September 14: Webinar titled "Adaptive Leadership in the 'New Normal'"

- September 16: Phone call with County Supervising Planner John McDowell to discuss Countywide Water and Wastewater MSR
- September 17: Phone call with County Supervisor Belia Ramos to discuss the City of American Canyon's water and sewer service areas
- September 21: Meeting with City of Napa Planning and Code Enforcement Division Manager Erin Morris to discuss island annexation
- September 22: Presentation on LAFCO and the Countywide Water and Wastewater MSR to the County Board of Supervisors

ATTACHMENTS

None



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

1030 Seminary Street, Suite B
Napa, California 94559
Phone: (707) 259-8645
www.napa.lafco.ca.gov

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

Agenda Item 7a (Public Hearing)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer
Dawn Mittleman Longoria, Analyst II

MEETING DATE: October 5, 2020

SUBJECT: Final Napa Countywide Water and Wastewater Municipal Service Review and Associated CEQA Findings

RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Receive and file the final *Napa Countywide Water and Wastewater Municipal Service Review*;
- 4) Adopt the draft resolution confirming the determinative statements contained therein and making CEQA findings (Attachment One).

BACKGROUND AND SUMMARY

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 directs LAFCOs to prepare municipal service reviews (MSRs) every five years to inform their other planning and regulatory activities. This includes, most notably, preparing and updating all local agencies' spheres of influence as needed. MSRs vary in scope and can focus on a particular agency, service, or geographic region as defined by LAFCOs. MSRs may also lead LAFCOs to take other actions under its authority such as forming, consolidating, merging, or dissolving one or more local agencies. MSRs culminate with LAFCOs making determinations and recommendations on a number of factors addressing growth and population trends, disadvantaged unincorporated communities, infrastructure needs or deficiencies, financial standing, opportunities for shared facilities, and accountability for community service needs as required by California Government Code Section 56430.

Kenneth Leary, Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

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

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

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

Gregory Rodeno, Commissioner
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

As part of its most recent strategic planning process, the Commission decided to conduct a comprehensive, countywide study of public water and wastewater service providers in Napa County. The Commission hired a private consultant, Policy Consulting Associates (PCA), to prepare the report. PCA is subcontracting with Berkson Associates. PCA developed a project-specific website to provide opportunities for ongoing interaction with the subject agencies and members of the general public. The website is available to the public online at:

<https://sites.google.com/pcateam.com/napamsr/home>

The public draft *Napa Countywide Water and Wastewater Municipal Service Review* was released to the public on May 18, 2020, and was presented to the Commission at a public workshop on July 13, 2020. During the presentation, Commissioners were given opportunities to ask questions of staff and consultants, and public comments were heard following the presentation. Notably, the draft report included several recommendations related to the governance structure and shared service opportunities for many of the subject agencies. Written comments on the draft report were invited through July 20, 2020. A redline final report was released to the public on September 14, 2020, and is available on the Commission's website at: https://www.napa.lafco.ca.gov/uploads/documents/CountywideWaterWastewaterMSR_RedlineFinal_9-14-20.pdf. Comments received to date and the associated comment log are also available on the website at https://www.napa.lafco.ca.gov/staff_reports.aspx.

Overview of MSR

The MSR provides a comprehensive review of water, wastewater, and recycled water service in Napa County as provided by the following 14 local governmental agencies:

- City of American Canyon
- City of Calistoga
- City of Napa
- City of St. Helena
- Town of Yountville
- Circle Oaks County Water District
- Congress Valley Water District
- Lake Berryessa Resort Improvement District
- Los Carneros Water District
- Napa Berryessa Resort Improvement District
- Napa County Flood Control and Water Conservation District
- Napa River Reclamation District No. 2109
- Napa Sanitation District
- Spanish Flat Water District

Chapter three of the MSR is the "Overview" section and provides information regarding the potential effects of drought conditions and climate change on water availability within Napa County. With this in mind, the MSR includes several recommendations related to the governance structure and shared service opportunities for many of the subject agencies. Potential governance structure options for the subject agencies are listed in Figure 3-16. Advantages to the identified governance structure options include improvements to water supply including recycled water, water management, enhanced resource sharing, efficiency of service provision, and regulatory compliance. These recommendations are intended to encourage the subject agencies to engage in conversations regarding the feasibility and desirability of initiating reorganization proceedings or entering into other formal agreements.

The report also summarizes existing regional water and sanitation planning that have proven successful. Included are descriptions of studies, management plans, and cooperative efforts within Napa County. Regulations governing water and wastewater agencies are provided. Staff commends these existing collaborative efforts and encourages continued collaboration.

It is recommended that Napa water purveyors collectively continue discussions regarding existing concerns related to the provision of reliable and sustainable water services throughout the County. With this in mind, staff recommends the Commission offer an incentive to initiate collaborative discussions by providing LAFCO resources. Examples include, but are not limited to, LAFCO staff serving as a facilitator to aide these discussions and, if reorganization discussions are productive, consider waiving all associated processing costs.

MSR Issues of Interest

A countywide municipal service review can generate controversy. The very nature of a study that encompasses numerous entities and interest groups is likely to bring forward a variety of opinions, some of which are in conflict. LAFCO is granted considerable statutory authority to study and evaluate local governmental issues, but limited authority to resolve those issues. For this reason, it is common for MSRs to be the starting point for discussions among all stakeholders as they work toward solutions, but not necessarily the ultimate vehicle.

The following is a summary of some of the challenges and concerns associated with the *Napa Countywide Water and Wastewater Municipal Service Review*.

1) The impacts of climate change warrant proactive solutions:

Numerous hydrological and climatological studies have warned about the potential effects of climate change. In response, Governor Newsom has released the Water Resilience Portfolio to help build a climate-resilient water system. The California Secretary for Natural Resources, Wade Crowfoot said, “The portfolio identifies how the state can help regions maintain and diversify water supplies, protect and enhance natural systems and prepare for a future that looks very different from our recent past.”

In the past few months, Napa County has endured a pandemic and wildfires. Local conditions and circumstances have drastically changed. The local agencies in Napa County have assembled to face these and other countywide issues. The MSR supports this collaborative approach to address the possible effects of climate change on the availability and provision of water. The report identifies governance structure options to consider as one of the solutions.

2) Governance structure options can vary according to the chosen solution:

Change can be disruptive, but at times the need to solve problems can outweigh the need to retain the status quo. The MSR provides a table (Figure 3-16) with possible governance options for each agency studied. Those options range from contracts for service to reorganization of the agency. These options should be considered by the various stakeholders during discussions to achieve solutions.

3) A countywide water agency or district has no land use authority:

It is not within the legal authority of a countywide water agency or district to establish land use. This is similar to the Napa Countywide Transportation Program or the Napa County Flood Control and Water Conservation District. Some municipalities have commented that approvals occur for development within the unincorporated area with the need for municipal services. A countywide water agency, for example, could have better oversight regarding coordinated management and provision of water resources throughout the County regardless of jurisdiction. Safeguards to prevent conversion of agricultural land can be included in the policies of a countywide agency.

4) Countywide or regional agencies can be formed to address the needs and budget of the specific county:

It is common for countywide and regional agencies to be formed to address issues such as parks and open space, mosquito abatement, resource conservation, transportation, flood control, water delivery, or wastewater service. The functions, size, and budget of these agencies vary as much as the counties and regions they serve. These agencies do not need to take the form of a countywide agency in which all service functions and employees are consolidated into one agency. For example, the El Dorado County Water Agency is not a water purveyor or retailer, but instead provides regional coordination with an annual budget of approximately \$7 million and a maximum of five employees that is currently tasked with security additional water rights. Another second example is the Tahoe Truckee Sanitation Agency (TTSA), which was established by special legislation to run a wastewater treatment plant that serves the flows from five individual collection districts in Placer and Nevada Counties. TTSA has an annual budget of approximately \$15 million and 48 employees. Further, the case studies identified in the MSR provide other examples of structures in use in other counties that may provide guidance, but these examples are neither exhaustive nor directive.

Public Comments on Draft MSR

On August 3, 2020, the Commission discussed the public comments received on the draft MSR. All public comments received by that date along with a comment log are available on the Commission's website. The Commission appointed Vice Chair Dillon and Commissioner Mohler to an ad hoc subcommittee ("the Committee") to review the public comments and provide direction to the consultants and staff.

On September 4, 2020, the Committee met with the consultants and staff to review the process for responding to comments, including any changes to the document. In addition, the Committee identified comments of significance to be addressed in the report. These comments generally fall within the following four categories:

- 1) Trucked water policies, and in particular the responsible agency for implementing policies and potential for a countywide agency to also implement trucked water policies.
- 2) Questions and clarifications on concerns of growth and development induced by service extension in unincorporated areas within a countywide agency.

- 3) Request for additional information on private water companies and potential inclusion of those water companies in a countywide solution.
- 4) Letters and verbal comments from the City of American Canyon regarding discussions of its service area.

Redline Final MSR and Additional Comments

On September 14, 2020, a redline final MSR was released to the public and is available on the Commission's website. The redline final MSR incorporates revisions to the draft report based on the aforementioned comment log and direction from the Committee.

Staff received four sets of written comments on the redline final MSR as of the date of this report. Staff recommends the Commission consider the comments and provide direction as appropriate for any desired revisions to the finalized report. Please note the Commission may simultaneously direct final changes to the report and receive and file the report. The comments received on the redline final MSR and recommended responses/changes are summarized below:

1) City of Napa dated September 15, 2020 (Attachment Two)

The City of Napa confirmed the Carneros Mutual Water Company has activated their outside service from the City as approved by the Commission pursuant to California Government Code Section 56133.5.

Recommendation: Include a description of this change in service structure in the Overview Chapter in the section covering the non-public water systems.

2) Napa County dated September 17, 2020 (Attachment Three)

Napa County provided the following comments and requests:

- Remove discussion of joint review process with City of St. Helena regarding new vineyard development within municipal watershed.

Recommendation: The MSR makes no recommendations or determinations regarding this content, which was included to recognize a concern of the City. No MSR change is recommended.

- Remove discussion of extending City of St. Helena services to Meadowood Resort and area south of St. Helena given extension of services to unincorporated areas has the potential to undermine and/or circumvent Measures J and P.

Recommendation: The two areas were added to the discussion to make the necessary determinations to enable the use of the California Government Code Section 56133.5 pilot program. As defined in the code, this legislation enables the extension of municipal services only to (1) existing development or (2) planned projects that are included in an approved specific plan as of July 1, 2015, thereby protecting agricultural lands. No recommendation is made in the MSR regarding the actual extension of services. No MSR change is recommended.

- Provide documentation demonstrating a countywide water agency or district would be less expensive or more efficient than current service providers.

Recommendation: The MSR recommends further analysis after the stakeholders determine a desired structure. No MSR change is recommended.

- Clarify how a countywide water agency or district could perform resource management, and how resource management is included in scope of MSR.

Recommendation: The MSR recommends that services of a countywide water agency or district should be determined by stakeholders, and the services may draw upon examples from other counties tailored to suit Napa County. Resource management is integral to services provided by water agencies and therefore is an appropriate consideration in the MSR. No MSR change is recommended.

- Remove reference to Calaveras County Water District as a comparable water agency or district.

Recommendation: While the scale of services in Napa differs from Calaveras, Calaveras County Water District is included as an example of (1) a county water district which conducts water resource management, and (2) a district that conducts water resource management on a countywide scale and also provides services to small community systems throughout the unincorporated areas while the cities manage their own utility systems. No MSR change recommended.

3) City of American Canyon dated September 22, 2020 (Attachment Four)

The City of American Canyon provided the following comments and requests:

- Oppose the consideration and possible adoption of the MSR.
- Reiterate the City's position that its water service area is incorrectly described and depicted in the MSR.
- Lack of substantive analysis of the MSR under CEQA.

Recommendation: the Commission's legal counsel and staff researched historical documents and actions taken related to the City's service areas and maintain LAFCO's position as reflected in the MSR is accurate. Toward this end, a memo with backup documentation was prepared by legal counsel and is included as Attachment Six.

4) Alan Galbraith dated September 23, 2020 (Attachment Five)

Mr. Galbraith recommends several factual corrections and clarifications to the City of St. Helena's chapter.

Recommendation: The consultant will work with the commenter and City of St. Helena staff to make appropriate edits.

California Environmental Quality Act (CEQA)

The MSR is exempt from further environmental review under CEQA pursuant to California Code of Regulations Section 15306. This finding would be based on the Commission determining with certainty the MSR is limited to basic data collection, research, and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource.

Recommended Commission Actions

It is recommended the Commission discuss the redline final MSR and consider taking formal action as part of a noticed public hearing. The recommended actions are for the Commission to (1) receive and file the final report and (2) adopt a resolution confirming the determinative statements contained therein and making CEQA findings. The Commission is invited to provide direction to the consultants and staff with respect to any desired revisions to the final report or resolution considering staff's recommendations described above.

ATTACHMENTS

- 1) Draft Resolution Approving Determinative Statements and Making CEQA Findings
- 2) Comments on Redline Final MSR from the City of Napa (September 15, 2020)
- 3) Comments on Redline Final MSR from Napa County (September 17, 2020)
- 4) Comments on Redline Final MSR from the City of American Canyon (September 22, 2020)
- 5) Comments on Redline Final MSR from Alan Galbraith (September 23, 2020)
- 6) Memo: City of American Canyon Water Service Area

RESOLUTION NO. _____

**RESOLUTION OF THE
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**NAPA COUNTYWIDE WATER AND WASTEWATER
MUNICIPAL SERVICE REVIEW:**

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 within Napa County; and

WHEREAS, a “Municipal Service Review” has been prepared for the public water and wastewater service providers pursuant to said schedule and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code; and

WHEREAS, the Executive Officer designated the geographic area of the municipal service review to generally include all lands located in Napa County; and

WHEREAS, the Executive Officer prepared a written report on the *Napa Countywide Water and Wastewater Municipal Service Review*, including consideration of the adequacy of governmental services provided by the 14 local government agencies in Napa County that provide public water and/or wastewater service; and

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

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meetings concerning the *Napa Countywide Water and Wastewater Municipal Service Review* on July 13, 2020, August 3, 2020, and October 5, 2020; and

WHEREAS, as part of the municipal service review, the Commission is required pursuant to California Government Code Section 56430(a) to make a statement of written determinations with regards to certain factors.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

1. The Commission determines the *Napa Countywide Water and Wastewater Municipal Service Review* is exempt from further environmental review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15306.
2. The Commission adopts the statement of written determinations prepared as part of the *Napa Countywide Water and Wastewater Municipal Service Review* set forth in “Exhibit A,” which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on October 5, 2020, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

DRAFT

Kenneth Leary
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Kathy Mabry
Commission Secretary

EXHIBIT A

STATEMENT OF DETERMINATIONS

**NAPA COUNTYWIDE WATER AND WASTEWATER
MUNICIPAL SERVICE REVIEW**

1. Growth and population projections for the affected area (Government Code 56430(a)(1)):

A. City of American Canyon

1. The City of American Canyon's population, as of 2019, was approximately 20,629.
2. American Canyon's population increased by approximately 10 percent in the last 10 years.
3. Future development in the City is limited by the Urban Limit Line (ULL). Additionally, growth is constrained by the airport's flyover zones to the north, City of Vallejo to the south, foothills of the Sulphur Springs Mountain Range to the east, and the Napa River to the west. Most of the undeveloped area in the ULL has been built out.
4. Napa County LAFCO anticipates that the City will grow by about 0.78 percent a year through 2030 with an anticipated population of 22,398 in 2030.

B. City of Calistoga

1. The City of Calistoga's population, as of 2019, was approximately 5,453.
2. Calistoga's population increased by about six percent in the last 10 years.
3. The City manages its growth to maintain its small-town character through the Resource Management System and the Growth Management System.
4. Napa County LAFCO anticipates that the City will grow by about 0.61 percent a year through 2030 with an anticipated population of 5,818 in 2030.

C. City of Napa

1. The City of Napa's population, as of 2019, was approximately 79,490, with the water system serving a total population of 87,134.
2. City of Napa's population increased by approximately 4.5 percent over the 10-year period since 2009.

3. Future development within the City is limited by the Rural Urban Limit (RUL). Most of the undeveloped area in the RUL has been built out. There are 24 territories that are within the RUL that have not yet been annexed into the City. Of the property available for development in the RUL, only a portion is considered suitable for development due to environmental constraints.
4. LAFCO anticipates a continued steady increase in population over the period from 2019 to 2030 of 6.3 percent, with a projected population of 84,513 in 2030.

D. City of St. Helena

1. The City of St. Helena's population, as of 2019, was approximately 6,133.
2. Growth within the City is limited by an Urban Limit Line, designated Urban Reserve Areas, and the Residential Growth Management System, which limits the number of building permits available for residential growth each year. That limit, as of 2018, was nine residential units a year, with exceptions.
3. LAFCO anticipates a continued increase in population over the period from 2019 to 2030 at an annual rate of 0.88 percent, with an anticipated population of 6,728 in 2030.

E. Town of Yountville

1. The Town of Yountville's population, as of 2019, was approximately 2,916, with about 30 percent living at the Veteran's Home.
2. Yountville's population decreased by approximately one percent over the 10-year period since 2009.
3. The Town is nearing buildout of developable space, and the potential for growth is limited. The Town estimated there is space remaining for 155 single-family homes, 76 multi-family residential units, and 169,555 square feet of commercial space. However, actual development will depend on future market conditions, property owner preferences, site-specific constraints, and other factors.
4. LAFCO anticipates a continued decline in population over the period from 2019 to 2030 at an annual rate of 0.32 percent, with an anticipated population of 2,813 in 2030.

F. Circle Oaks County Water District

1. Circle Oaks County Water District's (COCWD) population, as of 2019, was approximately 471.

2. Future growth within COCWD is limited to the 143 vacant lots of the 331 lots approved in the subdivision. At maximum build-out of the Circle Oaks Unit One subdivision, the community would hold an additional 360 persons. However, in the past 19 years, there has only been one permit to build a new home in the Circle Oaks residential community, and COCWD anticipates a continued low demand for future housing.
3. LAFCO anticipates growth within COCWD to be similar to the most recent five-year trend of all unincorporated areas of Napa of 0.21 percent annually, with an anticipated population of 482 by 2030.

G. Congress Valley Water District

1. Congress Valley Water District's population, as of 2019, was approximately 262.
2. CVWD's population increased by 1.09 percent annually between 2009 and 2019.
3. While there are some parcels within CVWD that do not currently contain developed housing units, there are not a significant number of such undeveloped parcels. In combination with the restrictive land uses in the area, it is reasonable to assume CVWD's resident population growth rate over the foreseeable future will remain low and not significantly impact the District's demand for water.
4. LAFCO anticipates growth within CVWD to be similar to the most recent five-year trend of all unincorporated areas of Napa of 0.21 percent annually, with an anticipated population of 268 by 2030.

H. Lake Berryessa Resort Improvement District

No significant increase in current District population and service demand that would affect service delivery and infrastructure is anticipated within the timeframe of this MSR.

I. Los Carneros Water District

1. Los Carneros Water District's (LCWD) population, as of 2019, was approximately 523.
2. LCWD's population increased by 0.5 percent annually between 2009 and 2019.

3. Future growth within the District is currently limited due the agricultural zoning of the lands within and adjacent to the District, which stipulates 160-acre minimum parcel sizes. It is estimated that 52 of the 263 assessor parcels are not developed with residences. However, given historical growth trends and the amount of viniculture and Williamson Act contracts within the District, very little development within the District is anticipated.
 4. Unlike potable water, demand for LCWD's recycled water is not population driven, but rather driven more by the extent of productive agricultural lands in use in need of irrigation. In the case of LCWD, this is generally the vineyards. Within the District's service area (assessment district), there are 3,140 irrigable acres.
 5. LAFCO anticipates growth within LCWD to be similar to the most recent five-year trend of all unincorporated areas of Napa of 0.21 percent annually, with an anticipated population of 562 by 2030.
- J. Napa Berryessa Resort Improvement District
- No significant increase in current District population and service demand that would affect service delivery and infrastructure is anticipated within the timeframe of this MSR.
- K. Napa County Flood Control and Water Conservation District
- The District's boundaries and service population corresponds to Napa County's area and population, anticipated to grow at an average rate of about 0.5 percent annually.
- L. Napa River Reclamation District No. 2109
- No significant increase in current District population and service demand that would affect service delivery and infrastructure is anticipated within the timeframe of this MSR.
- M. Napa Sanitation District
1. Napa Sanitation District's population, as of 2019, was approximately 83,061.
 2. NapaSan's population increased by 0.57 percent annually between 2012 and 2017.
 3. NapaSan plans to serve three new developments and has provided Will Serve letters for Stanly Ranch, Montalcino Napa Valley, and the Napa Pipe Project. Combined these projects would add two resorts, 1,015 housing units, a winery, and commercial/retail space.

4. LAFCO anticipates continued growth within NapaSan similar to the most recent five-year trend of 0.57 percent annually, with an anticipated population of 88,128 by 2030.

N. Spanish Flat Water District

1. Spanish Flat Water District's (SFWD) population, as of 2019, was approximately 413.
 2. Given the impacts of the Lightning Complex fires, as of August 2020, the District's population is significantly lower.
 3. The buildout population within SFWD is expected to total 560. This projection assumes the development of all undeveloped lots presently within SFWD and rebuilding of the recently destroyed homes. Although the undeveloped lots gradually get developed, some do not connect to the District's utility systems. The District expects slow growth in the next five to 10 years.
 4. LAFCO anticipates growth within SFWD to be similar to the most recent five-year trend of all unincorporated areas of Napa of 0.21 percent annually, with an anticipated population of 423 by 2030.
2. The Location and Characteristics of Disadvantaged Unincorporated Communities Within or Contiguous to the Agency's SOI (Government Code 56430(a)(2)):

According to Napa LAFCO's definition of disadvantaged unincorporated communities (DUCs), there are currently no DUCs in Napa County.

3. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies (Government Code 56430(a)(3)):

A. City of American Canyon

1. The City of American Canyon purchases water from the State Water Project and the City of Vallejo. Water supply is considered to be adequate to meet American Canyon's current needs.
2. The City supplements its water supply with recycled water. Recycled water is mostly used for vineyard and landscape irrigation. Potable water demand for landscape irrigation is expected to decline as the City expands its recycled water distribution system. In order to meet the projected buildout recycled water demands, the City will need to reuse 100 percent of its treated water during peak demands in the summer months.

3. The City's combined projected water supplies are sufficient to meet projected demands during normal water year conditions. Under single-dry water year conditions, the supply is generally sufficient until sometime after 2030 when shortfalls begin to appear. By 2035, the single-dry year shortfall is estimated at approximately six percent. Under multiple-dry year conditions, the supply is sufficient through 2040.
4. There City's Water Treatment Plant (WTP) has sufficient capacity to accommodate current peak day demand and projected peak day demand at buildout.
5. There is a current storage shortfall of 4.0 mg. At buildout, the storage shortfall increases to a total of 6.8 mg.
6. The City's water distribution infrastructure was reported to be in fair condition. However, over the five-year period, the City experienced a decline in main breaks, which is reflected in the decrease in water loss experienced over that same time period.
7. The City appropriately plans for its infrastructure needs in the Capital Improvement Plan. The main planned capital improvement projects address insufficient water storage capacity, pipeline deterioration, and pipelines that are undersized for the current conditions and fire flow requirements. The City is also expanding the recycled water system.
8. American Canyon has adequate capacity to accommodate existing and projected demand at its wastewater treatment plant.
9. The hydraulic evaluation identified a number of deficiencies with the current sewer collection system including pipelines and pump stations with insufficient hydraulic capacity to convey peak flows for existing and/or future conditions. All of the existing capacity deficiencies are related to I/I entering the system in that pipes have adequate capacity to handle peak dry weather flows, but not peak wet weather flows. The City has planned a number of capital improvement projects to address the I/I concerns.
10. The level of wastewater services offered by the City was found to be adequate based on integrity of the wastewater collection system and regulatory compliance. The City's sanitary sewer overflow rate is lower on average than of other wastewater agencies in California. The City didn't experience any violations in the last three years; and there have been no priority violations in at least last 10 years.

B. City of Calistoga

1. Although water supply from Kimball Reservoir declined, Calistoga was able to replace the lost supply with the water delivered by the City of Napa. Depending on the availability, Calistoga is able to purchase additional water from the City of Napa in emergencies. Water supply is considered to be adequate to meet Calistoga's current needs.
2. Based on the City's existing local reservoir and the State Water project supply, the City does not expect to experience any reductions in water supply during minor drought conditions and expects to experience only minor reductions in water supply during severe droughts.
3. Calistoga currently has excess water supply available for future development. Estimates show that by 2034, the City will be using between 26 and 54 percent of this excess availability. Due to the Growth Management System and the Resource Management System, the City is projected to grow at a fairly predictable pace, and the current available water supply will be able to accommodate future needs, at least through 2034.
4. The City currently reuses about 60 percent of its wastewater flows. Recycled water from the WWTP is distributed to 15 customers through recycled water infrastructure.
5. The City appropriately plans for its infrastructure needs in the Capital Improvement Plan. The most significant long-term planned infrastructure project is the upgrade of the Kimball Water Treatment Plant. No unplanned for water infrastructure needs were identified.
6. Calistoga has adequate capacity to accommodate existing and projected demand at its wastewater treatment plant. It is estimated that 71 percent of the plant's excess capacity will be allocated by 2034.
7. The level of wastewater services offered by the City were found to be marginally adequate based on the integrity of the wastewater collection system and regulatory compliance.
8. The City's Wastewater Treatment Plant encountered multiple violations and enforcement actions in recent years, most of which were related to dichlorobromomethane limits. The City reported that this issue had been addressed as of 2019.

9. The City identifies the current Cease and Desist Order (CDO) and strict Regional Water Quality Control Board (RWQCB) Permit Conditions imposed with the 2016 renewal of the City's permit to operate a WWTP as the basis of its main infrastructure needs and costs related to wastewater services.
10. The City's sanitary sewer overflow rate is lower on average than of other wastewater agencies in California. Although there is still a lot of old infrastructure that causes high infiltration and inflow, Calistoga continues to repair and replace old pipelines and other infrastructure thus further reducing I/I and overflows.

C. City of Napa

1. The City's water production has been well within its water supply capacity, even in dry years, indicating that the existing water supply is adequate to meet City of Napa's current needs.
2. Future supply capacity is generally sufficient until sometime after 2035 when total demand is nearly equivalent to the volume available in a single-dry year. However, the City has conservatively estimated available State Water Project (SWP) supply assuming no Carryover, Article 21, North of Delta Allocation bonus, or any of the other supplemental SWP categories. It is likely that the City's water supply will be sufficient beyond 2035 for both normal and dry years, depending on the availability of the supplemental SWP supply.
3. The level of water services offered by the City were found to be more than adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the City's water distribution system is excellent as measured by the degree of annual water loss and the rate of main breaks and leaks per 100 miles of main. The City was in full compliance with Primary Drinking Water Regulations in 2018. While the City had six violations reported by the EPA since 2008; the City has adjusted its treatment mechanism and has had no violations since 2016.
4. The City appropriately plans for its infrastructure needs in the Capital Improvement Plan and a 20-year Master Plan. No substantial or unplanned for water infrastructure needs were identified.
5. The City is scheduled to develop a Capital Improvement Master Plan and corresponding Financing Plan in 2021. This document will inform the cost of service study associated with the rate setting process in 2022.

6. Long-term capital plans include upgrades to the Hennessey WTP and modifications to the Lake Hennessey spillway will be constructed to accommodate the maximum probable flood. The City is considering modifications to the Milliken WTP so that Milliken Reservoir could be used as a source year-round. The City reviews possible additional water supply sources on a continual basis.

D. City of St. Helena

1. Experience has shown that the City has inadequate water to supply customer demand without imposition of water emergency restrictions in recent years. The City needs to obtain new water supplies and/or achieve more water savings, even under current conditions in order to reliably meet current and future water demand.
2. There are new water sources that the City is considering adding in the near future to increase the reliability of supply, especially in emergencies and dry years, including recycled water and groundwater from the capped well on the Adams Street property.
3. The level of water services offered by the City were found to be adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the City's water distribution system is moderate; although the City experiences a relatively high rate of water loss, there are few main breaks and leaks. The City was in full compliance with Primary Drinking Water Regulations in 2018 and has addressed the three violations reported by the EPA since 2008.
4. The City appropriately plans for its infrastructure needs in the Capital Improvement Plan. Long-term significant water infrastructure needs consist of identification of a supplemental water source, construction of recycled water infrastructure, and replacement of aged portions of the distribution system susceptible to high rates of loss.
5. St. Helena has more than adequate capacity to accommodate existing and projected demand at its wastewater treatment plant beyond 2030 under all anticipated load conditions.
6. The level of wastewater services offered by the City were found to be marginally adequate based on integrity of the wastewater collection system and regulatory compliance. The City has struggled with a higher than statewide average rate of sanitary sewer overflows, as a result of infiltration and inflow during wet weather periods. Additionally, the City has had numerous violations and enforcement actions at its WWTP. The City is in the midst of addressing the regulatory issues at the WWTP.

7. The most significant infrastructure need for the wastewater system is improvement to the WWTP to meet the requirements set forth in the Cease and Desist Order. The City is in the process of developing a funding plan for the improvements.

E. Town of Yountville

1. Given the willingness of the California Department of Veterans Affairs (CDVA) to sell surplus water to the Town and the Town's designated emergency water supplies, the water supply is adequate to meet Yountville's current needs.
2. Since projected demand at buildout is only slightly higher than current demand, and supply sources have been reliable and adequate to accommodate demand, it is anticipated that the Town's current water supply will be able to accommodate future needs. However, this assertion relies heavily on the sustainability of services offered by the CDVA at the reservoir and the treatment plant. Close coordination between the two agencies is essential to ensuring adequate supply to the municipality.
3. In 2018 the Town beneficially reused 93 percent of its wastewater flow. There is no additional recycled water capacity to further supplement/offset the Town's water supply.
4. The level of water services offered by the Town were found to be more than adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the Town's water distribution system is excellent as measured by the degree of annual water loss and the rate of main breaks and leaks per 100 miles of main. The Town was in full compliance with Primary Drinking Water Regulations in 2018 and has had no violations reported by the EPA since 2008.
5. The Town appropriately plans for its infrastructure needs in the Capital Improvement Plan. No substantial or unplanned for water infrastructure needs were identified.
6. Yountville has more than adequate capacity to accommodate existing and projected demand at its wastewater treatment plant. Over the last five years, the Town has made use of 66 percent on average of the available treatment capacity at its plant.

7. The level of wastewater services offered by the Town were found to be minimally adequate based on integrity of the wastewater collection system and regulatory compliance. The Town has struggled with a higher than statewide average rate of sanitary sewer overflows, as a result of infiltration and inflow during wet weather periods, which has been a focus of the Town's capital improvement efforts in recent years.
 8. As a result of infiltration and inflow reductions measures, the Town reported that it has seen decreases in flows during large storm events. However, the CDVA-operated collection system at the Veterans Home continues to have a high peaking factor and has neared its allocation at the wastewater treatment facility during wet weather events. There is a need for a proactive approach on the part of the CDVA to minimize the load on the treatment plant.
- F. Circle Oaks County Water District
1. COCWD has limited water supply and treatment capacity that marginally meets the needs of the community.
 2. Several challenges constrain the District's water supply capacity, including 1) lack of a suitable location for another well, 2) the spring water source can be drawn down quickly, 3) high usage per connection, and 4) high iron content in wells requiring the need to backwash.
 3. The level of water services offered by the COCWD were found to be adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the District's water distribution system has improved since 2016 when there were several breaks and leaks in the system. The District was in full compliance with Primary Drinking Water Regulations in 2018 and has had no violations reported by the EPA since 2008.
 4. Given that COCWD made substantial improvements to the water system in recent years, there are no known issues with the distribution system at this time. The water treatment system is in good condition; however, the water treatment system will need to be expanded should any new connections be considered, or the District will need to institute greater conservation measures during summer months. Additionally, another well will be necessary to meet future demand needs and to provide a second, redundant, and reliable source of water.
 5. During dry periods, the District is typically well within its treatment capacity. However, during wet weather periods flows have reached levels of concern.

6. The level of wastewater services offered by COCWD were found to be minimally adequate based on integrity of the wastewater collection system and regulatory compliance. The District has had no sanitary sewer overflows in the last five years, but has had 49 violations, a majority of which were for deficient reporting. Significant improvement can be made to the District's reporting practices.
7. Capital improvement needs are planned for on an as needed basis. COCWD reported a need to reline more of the collection system to address root infiltration. The District did not identify infrastructure needs associated with the treatment facility.

G. Congress Valley Water District

1. The City of Napa's sources of water supply are sufficient to continue to provide service to CVWD's service area and other areas served by the City of Napa.
2. Based on recent and projected water demands, there is sufficient water supply available to serve all properties located within the Water Supply Contract service area, including existing and anticipated development.
3. The level of water services offered by the City of Napa were found to be more than adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the City's water distribution system and the CVWD distribution system is excellent as measured by the degree of annual water loss and the rate of main breaks and leaks per 100 miles of main. The City was in full compliance with Primary Drinking Water Regulations in 2018. While the City had six violations reported by the EPA since 2008; the City has adjusted its treatment mechanism and has had no violations since 2016.
4. No known infrastructure needs were identified with regards to CVWD's water distribution system.
5. It is recommended that CVWD and the City ensure that the capital needs of the distribution system are planned for in appropriate capital planning documents. CVWD reports that it is "actively engaged with consultants and engineers to identify additional capital outlays..."

H. Lake Berryessa Resort Improvement District

1. The District has undertaken major upgrades to its water and wastewater system since the 2011 MSR identified significant infrastructure needs.

2. Ongoing improvements to replace aging infrastructure and to upgrade facilities are planned and/or underway.
- I. Los Carneros Water District
1. NapaSan's recycled water supply is sufficient to continue to provide the committed volume to LCWD's service area. In 2018, LCWD made use of 53 percent of its allocated contract supply volume.
 2. Engineers conducted hydraulic analyses to determine and assure that the pipeline has sufficient capacity to serve the 107 connections in the LCWD assessment district.
 3. While there is interest from other landowners in the District but outside the assessment district to connect to the system, the true extent of available capacity will only be realized once most or all of the assessment district connections have connected to the system.
 4. The level of recycled water services offered by NapaSan were found to be more than adequate based on integrity of the recycled water distribution system and compliance with water treatment requirements. The integrity of NapaSan's distribution system is excellent as measured by the degree of annual water loss and the rate of main breaks and leaks per 100 miles of main. The District met the treatment standards established by CDPH every day in 2018.
 5. LCWD's system was constructed just four years ago, and there are no known infrastructure needs at this time. However, there may be a need for expansion of the system, as several additional landowners have expressed interest in connecting subsequent to the formation of the assessment district. As mentioned, the ability to accommodate additional parcels will be assessed once most assessment district parcels have connected.
- J. Napa Berryessa Resort Improvement District
1. The District has undertaken major upgrades to its water and wastewater system since the 2011 MSR identified significant infrastructure needs.
 2. Ongoing improvements to replace aging infrastructure and to upgrade facilities are planned and/or underway.
- K. Napa County Flood Control and Water Conservation District
- The District does not own public facilities that directly provide water or wastewater services, but does provide planning, technical support and financial assistance to other agencies and communities with infrastructure needs.

L. Napa River Reclamation District No. 2109

1. Current wastewater capacity and services are adequate. The District anticipates the need to replace aging facilities including its siphon in the near future.
2. NRRD is in the process of studying its reclamation needs and engaging the community in discussions about alternatives for future reclamation funding, facilities and services to address concerns about potential flood risks.

M. Napa Sanitation District

1. At present, demand for recycled water is well within capacity of the treatment plant. In 2018, 2,222 acre-feet of recycled water was produced, which constitutes 60 percent of the plant's maximum production capacity of 3,700 acre-feet during irrigation season. Demand for recycled water is anticipated to continue to rise in the coming years, reaching the maximum supply capacity of 3,700 acre-feet by 2030.
2. The level of recycled water services offered by NapaSan were found to be more than adequate based on integrity of the recycled water distribution system and compliance with water treatment requirements. The integrity of NapaSan's distribution system is excellent as measured by the degree of annual water loss and the rate of main breaks and leaks per 100 miles of main. The District met the treatment standards established by CDPH every day in 2018.
3. NapaSan appropriately plans for its recycled water infrastructure needs in a 10-year Capital Improvement Plan. Over the next 10 years through FY 27-28, planned major capital improvements include the Kirkland Recycled Water Pipeline Rehabilitation, the North Bay Water Reuse Project, a third water reservoir, Phase 2 expansion of the recycled water system, and an upgrade of a Soscol pump station.
4. NapaSan has more than adequate capacity to accommodate existing and projected demand at its wastewater treatment plant. In 2018, NapaSan made use of 40 percent of the available treatment capacity at its plant.
5. In 2017, the third wettest year on record, the District's system experienced a peaking factor of approximately eight, which is indicative of a high level of infiltration and inflow (I/I). The District exceeded the wet weather capacity of its collection system at that time. The level of I/I in the collection system is the primary capacity constraint for NapaSan. NapaSan is aware of the I/I and has initiated a long-term targeted program to address problem areas.

6. The level of wastewater services offered by NapaSan were found to be adequate based on integrity of the wastewater collection system and regulatory compliance. Addressing the I/I issues will improve the level of service offered by the District.

N. Spanish Flat Water District

1. A majority of SFWD's utility systems in Spanish Flat were destroyed in the Lightning Complex fires in August 2020. The utility systems in Berryessa Pines remain intact and operational. The District plans to rebuild of the destroyed system as soon as possible. The determinations regarding SFWD are based on existing circumstances before the fire.
2. SFWD has ample supply entitlement and system capacity to accommodate current as well as projected demands. In 2018, the District made use of 31 percent of its water contract entitlement and at buildout is anticipated to use 47 percent of its entitlement.
3. The full delivery of SFWD's entitlement is considered reliable given the current and historical storage levels at Lake Berryessa relative to the location of the intake systems.
4. The level of water services offered by SFWD were found to be minimally adequate based on integrity of the water distribution system and compliance with drinking water requirements. The integrity of the District's water distribution system is sufficient given the estimated level of water loss. The District was in full compliance with Primary Drinking Water Regulations in 2018 and has had one violation reported by the EPA since 2008.
5. The 2011 MSR identified that there is a distribution system capacity issue associated with deficient storage within the initial pressure zone. This issue has not been addressed to date.
6. The District is working to purchase generators to continue water production during electrical outages.
7. Based on current operations, the Spanish Flat Water District's sewer systems appear to have adequate collection, treatment, and discharge capacities to meet existing service demands within its jurisdiction under normal conditions. However, the District does not have any records identifying the design capacities for either sewer system. This prevents the District from accurately estimating its capacity to service new growth for either of its two service communities.

8. The level of wastewater services offered by SFWD were found to be minimally adequate based on integrity of the wastewater collection system and regulatory compliance. The District has had no sanitary sewer overflows in the last five years, but has had 31 violations, a majority of which were for deficient reporting. Significant improvement can be made to the District's reporting practices.
 9. SFWD does not adopt a Capital Improvement Plan. All capital improvements are performed as needed. The District reported that there are currently no infrastructure needs related to the wastewater systems.
4. Financial Ability of Agencies to Provide Services (Government Code 56430(a)(4)):
- A. City of American Canyon
 1. American Canyon has the ability to continue providing water and wastewater services. Combined utility reserves appear to be adequate for ongoing operations of water and wastewater, however, the Water Operations Fund unrestricted net position is only \$100,000 which is low compared to annual operating expenditures.
 2. From FY17 to FY18 the value of capital assets declined, indicating that investments were not keeping pace with depreciation. The City's Five-Year Capital Improvement Program (CIP) identifies future needs, costs and source of funding, but does not identify the projected funding available or shortfalls in funding, if any.
 3. The City recently adopted rate increases beginning in FY18 anticipated to improve balances and help to maintain investments in capital assets.
 4. The City evaluates its cost of service as needed to revise its rates and help fund its 5-year CIP. The CIP is not updated annually.
 - B. City of Calistoga
 1. The City of Calistoga has the ability to continue providing water and wastewater services. Water and wastewater revenues were insufficient to cover operations and debt service in FY18, however FY19 was anticipated to end with a slight surplus after debt as rates were updated and increased in FY18 to address shortfalls.
 2. Utilities met and exceeded their reserve goal of 20 percent reserves. Wastewater operations liquidity exceeded a minimum 1.0 ratio of current assets to current liabilities, and its net position was positive.

3. Current water operations assets, however, were exceeded by current liabilities, reducing water operations liquidity to less than a 1.0 ratio; the water operation's net position was negative at the end of FY18, reflecting liabilities exceeding net capital assets.
 4. Combined utility rates approach a maximum of 5 percent of median household incomes and may exceed the measure with future rate increases, depending on growth in household incomes.
 5. During FY19 the City's General Fund transferred \$250,000 to assure that debt service coverage requirements were met; a portion of that transfer has since been repaid.
 6. Investments in utility capital assets equaled or exceeded annual depreciation, indicating that the City is generally keeping pace with depreciation of facilities.
 7. The City reviews and updates its rates regularly based on cost of service studies and CIP forecasts.
- C. City of Napa
1. The City of Napa has the ability to continue providing water services. Projected water operations shortfalls anticipated for FY17 through FY19 were more than offset by rate increases adopted during FY17.
 2. The City allocates net revenues to a number of reserves for operations, capital and rate stabilization. Ending fund balances, net position and liquidity measures are all positive and indicate a stable position.
 3. From FY17 to FY18 the value of net capital assets increased, indicating that investments were keeping pace with, or exceeding, depreciation. The City's cost of service studies are the basis for rate adjustments that include capital facility needs.
- D. City of St. Helena
1. The City of St. Helena has the ability to continue providing water and wastewater services. The FY19 budget's positive annual utility balances indicated that its utilities were beginning to stabilize due to recently adopted rate increases, after several years of financial stress.

2. The City appears to have adequate reserves, although in FY19 it was not meeting its adopted reserve targets. The unrestricted net position of both utilities were significantly positive.
 3. Combined utility rates are well below maximum standards. The City adopted new rate schedules in December 2017 to address anticipated water operations shortfalls and to fund needed wastewater improvements and regulatory requirements.
 4. Recent and planned capital improvement expenditures equal or exceed average annual depreciation, indicating that the City is keeping pace with infrastructure depreciation.
 5. The City based its updated utility rate schedule adopted in December 2017 on a revised 2016 cost of service study that included long-range forecasts of operating and capital needs.
- E. Town of Yountville
1. The Town of Yountville has the ability to continue providing water and wastewater services. While the Town's operating revenues exceed expenditures for FY16 through FY19, surpluses did not fully cover capital improvement and capital recovery costs. Rate increases beginning in FY18 were anticipated to cover capital projects and maintain reserves for the five-year period of rate increases.
 2. Utility liquidity measures and unrestricted net positions are both positive.
 3. Combined utility rates fall within accepted thresholds. The Town adopted new utility rate schedules implemented in FY18 based on cost of service studies that included operations, debt services and capital improvement needs.
 4. FY18 financial reports showed a decline in utility net asset value, indicating that the Town was not keeping pace with infrastructure depreciation. However, rate increases beginning in FY18 should help to provide ongoing capital funding.
- F. Circle Oaks County Water District
1. The Circle Oaks County Water District has the ability to continue providing water and wastewater services. The FY19 budget shows revenues exceeding operating expenditures; however, the surplus is not sufficient to cover depreciation expense, indicating that the District may have difficulty fully funding capital repair and replacement.

2. Combined utility rates are well below maximum standards.
3. The District's positive liquidity ratio and unrestricted net position demonstrate adequate reserves, although declining net asset value and net annual surpluses that are less than depreciation (see above) indicate a potential need for increased capital funding.
4. The District has no capital improvement program, no cost of service or rate study, and no long-term projections to provide the basis for determining future operating and capital needs.

G. Congress Valley Water District

1. The CVWD relies on the City of Napa for the provision of water; the City bills District customers directly for water and retains all revenues, and the City is responsible for all operations, maintenance and capital planning.
2. The District relies primarily on property tax to fund District administrative costs. These costs vary annually depending on needs for engineering and financial biennial auditing services. The FY19 budget showed a \$40,000 shortfall, largely due to funding of a portion of customer's water bills to pay for the difference between the City's rates for residents vs. non-residents. The shortfall was funded by reserves.
3. The District's cash balance and unrestricted net position appear to be more than adequate as operational reserves; however, future capital needs are unknown.
4. The net value of the District's capital assets showed no additions in FY18, and the net value declined by nine percent. The District has no capital plan, and the City's capital plans do not explicitly identify District needs or future costs.

H. Lake Berryessa Resort Improvement District

1. The District has benefited from loans provided by the County which it has been unable to fully repay to-date.
2. A recent rate review and forecast indicated that rate increases were not required during the five-year forecast period; however, capital improvements and County loan repayment were not explicitly included in the forecast.

3. Current rates exceed typical burden measures compared to resident incomes. The area has been designated as a Disadvantaged Community, which is provided a significant amount of low or no-cost funding and grants.
4. The District appears to have adequate reserves to fund operations, however, the lack of a five-year capital plan precludes a determination as to the adequacy of rates and reserves to fund future improvements.

I. Los Carneros Water District

1. All recycled water operations are managed by NapaSan, which bills District customers directly for services. NapaSan owns the distribution system which was funded by a combination of grants and assessment debt secured by District property owners.
2. The District's revenues consist almost entirely of benefit assessments. The majority of the assessments pay for debt service that funded system construction; a small portion of the assessment revenue pays for District operations costs.
3. The District maintains adequate reserves for annual administrative costs and retains a restricted fund to include required debt service reserves.
4. The District's Capital Improvement Fund's balance was zero at the end of FY19. Since the system is owned and maintained by NapaSan, there is no need for District capital reserves.

J. Napa Berryessa Resort Improvement District

1. The District's net surplus does not fully cover annual depreciation, indicating that the District may have difficulty accumulating adequate funds for future capital repair and replacement.
2. A recent rate review and forecast indicated that rate increases were required during the five-year forecast period; capital improvements were not explicitly included in the forecast.
3. Current rates approach maximum typical burden measures compared to resident incomes.
4. The District appears to have adequate reserves relative to operating costs, however, the lack of a five-year capital plan precludes a determination as to the adequacy of rates and reserves to fund future improvements.

K. Napa County Flood Control and Water Conservation District

1. The District provides “conduit” services to obtain and direct financial resources to infrastructure and service needs of other agencies and communities.
2. The District does not receive a share of property tax and has no ongoing sources of funding other than project grants and pass-throughs of subcontractor payments.

L. Napa River Reclamation District No. 2109

1. NRRD has the ability to continue providing wastewater services. Reserves appear to be sufficient to fund anticipated repair and replacement of aging infrastructure, however, NRRD does not have a CIP or other plan to identify future capital needs and funding sources.
2. The expansion of reclamation services depends on additional funding such as assessments, which are currently being discussed by NRRD with the community.

M. Napa Sanitation District

1. NapaSan has the ability to continue providing wastewater services. Revenues exceed expenditures (including debt) by about \$10 million, or almost 50 percent of expenditures.
2. The District allocates net revenues to reserves, which exceed minimum targets, and to capital improvements. Ending fund balances, net position and liquidity measures are all positive and indicate a stable position.
3. NapaSan established a five-year schedule of rate increases through FY21. Current rates are well below maximum burdens given median household incomes in the District.
4. The District’s increase in net capital assets in FY18 exceeded depreciation. The District maintains and regularly updates its 10-year capital improvement plan that includes anticipates costs and available funding. The District generally has funded the Plan each year consistent with the needs identified in the Plan.

N. Spanish Flat Water District

1. The Spanish Flat Water District has the ability to continue providing water and wastewater services. However, the value of its infrastructure is depreciating at a rate greater than can be covered by its budget surplus. The assets declined with no offsetting investment.
 2. The District appears to have adequate liquidity and operating reserves, although declining net asset value and net annual surpluses that are less than depreciation (see above) indicate a potential need for increased capital funding.
 3. The value of the District's depreciated infrastructure is less than 50 percent of initial value, indicating the potential need for capital improvements. The District has no capital improvement program, no cost of service or rate study, and no long-term projections to provide the basis for determining future operating and capital needs.
5. Status of, and Opportunities for, Shared Facilities (Government Code 56430(a)(5)):

A. City of American Canyon

1. American Canyon shares interconnections with the cities of Vallejo and Napa.
2. The City is a member of the Sites Reservoir Project, which is a potential future water supply source in Colusa County. Among the few dozen other participants are Los Angeles, Sacramento, San Bernardino, Antelope Valley and Santa Clara.
3. The City has considered and will continue to consider opportunities for water exchanges or transfers with water right holders, if opportunities present themselves at the right price and under acceptable terms and conditions.
4. American Canyon closely collaborates and exchanges information with Napa Sanitation District.

B. City of Calistoga

1. The City participates in the Bay Area Integrated Regional Water Management Plan (IRWMP). The City additionally is participating in a Memorandum of Understanding (MOU) among Napa County municipal water purveyors to develop a drought contingency plan.

2. Calistoga shares an interconnection with the City of Napa through which the City of Calistoga receives potable treated water from the City of Napa on a regular basis and in case of emergencies.
3. The City does not share wastewater infrastructure with other agencies. Due to the distance between the municipal systems, no opportunities for facility sharing were identified.

C. City of Napa

1. The City shares interconnections with Calistoga, St. Helena, American Canyon, Yountville, and the California Veterans Home.
2. City of Napa partners with the Napa Sanitation District to run a large recycling program for oils (Recycle More Program). The two agencies also benefit from a joint water conservation program and collaboration on pipeline projects. Also, NapaSan, the City of Napa, and Napa Recycling coordinate scheduled tours of the wastewater treatment plant, water treatment plant, and recycling facility for Napa area students.
3. In conjunction with the cities of St. Helena and Calistoga, City of Napa is looking for grant funding to make improvements to the Dwyer booster pump station in order to ensure reliable and adequate pressure for fire protection purposes.
4. In addition, the City is monitoring regulations currently under study to define requirements for direct potable reuse (DPR). The regulations are likely to be finalized within five to 10 years. The proximity of NapaSan's Soscol WRF to the Barwick Jamieson treatment plant shows great potential for DPR, subject to capital improvements including a pump station and added treatment trains.
5. The City is open to further collaboration and resource sharing with regional municipal water purveyors as demonstrated by its participation in the Napa Valley Drought Contingency Plan.

D. City of St. Helena

1. St. Helena shares an interconnection with the City of Napa through which the City of St. Helena buys potable treated water from Napa on a regular basis and in case of emergencies.

2. In conjunction with the cities of Napa and Calistoga, St. Helena is looking for grant funding to make improvements to the Dwyer booster pump station in order to ensure reliable and adequate pressure for fire protection purposes.
3. Given the separation of municipal systems, further opportunities for facility sharing are limited. However, the City is open to collaboration and resource sharing with regional municipal water purveyors as demonstrated by its participation in the Napa Drought Contingency Plan.

E. Town of Yountville

1. Yountville shares two interconnections with the Veterans Home and two interconnections with the City of Napa. Additionally, the Town makes use of and pays for a portion of operations at the CDVA-owned and operated Rector Reservoir and water treatment plant.
2. Due to the distance of other water providers, there are limited options for further facility sharing. However, the Town is open to collaboration and resource sharing with regional municipal water purveyors as demonstrated by its participation in the Napa Drought Contingency Plan.

F. Circle Oaks County Water District

1. COCWD practices resource sharing with other agencies by sharing a general manager and operator with Spanish Flat Water District.
2. An opportunity for facility sharing may be contracting with another agency for a portion or all operations, such as the City of Napa or Napa Sanitation District.

G. Congress Valley Water District

CVWD relies upon shared facilities with the City of Napa for water conveyance to the District's boundaries. Additionally, the contract service structure allows for resource sharing as the City operates and maintains the Districts' distribution system.

H. Lake Berryessa Resort Improvement District

LBRID is administered by County staff in concert with NBRID. The two County-dependent resort improvement districts also share contract services by a single operator.

I. Los Carneros Water District

1. Having no infrastructure or facilities of its own, LCWD relies upon shared facilities from NapaSan to provide reclaimed water to its customers.
2. LCWD collaborates with NapaSan via its contract service arrangement. The two agencies maintain a good working relationship with a regular reporting structure to ensure transparency.

J. Napa Berryessa Resort Improvement District

NBRID is administered by County staff in concert with LBRID. The two County-dependent resort improvement districts also share contract services by a single operator.

K. Napa County Flood Control and Water Conservation District

The District collaborates with local agencies on projects, planning and technical efforts on shared and regional facilities.

L. Napa River Reclamation District No. 2109

1. NRRD collaborates with NCFCWCD on various reclamation-related activities, including shared funding of a study of reclamation needs. Governance structure options exist whereby this collaboration could be formalized and expanded, for example, if NRRD were to become a zone of NCFCWCD for reclamation purposes.
2. As noted by prior MSRs and SOI reviews, NRRD and its residents should explore opportunities to work with the Napa County Resource Conservation District (NCRCD) to educate constituents with regard to activities to control settlement along their portion of the levee.

M. Napa Sanitation District

1. While the District does not practice facility sharing with regard to wastewater and recycled water infrastructure with other agencies, it collaborates with other agencies on joint projects and initiatives.
2. NapaSan partners with the City of Napa to run a large recycling program for oils (Recycle More Program). The two agencies also benefit from a joint water conservation program and collaboration on pipeline projects. Also, NapaSan, the City of Napa, and Napa Recycling coordinate scheduled tours of the wastewater treatment plant, water treatment plant, and recycling facility for Napa area students.

3. The recently completed Coombsville recycled water truck filling station in the MST area is a joint project with the County and funding coming from the MST CFD and the State.
4. No further opportunities for facility sharing were identified.

N. Spanish Flat Water District

1. SFWD practices resource sharing with other agencies by sharing a general manager and operator with Circle Oaks County Water District.
 2. An opportunity for facility sharing may be contracting with another agency for a portion or all operations, such as the City of Napa or Napa Sanitation District.
 3. Transitioning to a CSA would allow for sharing of County staff resources.
6. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies (Government Code 56430(a)(6)):

A. City of American Canyon

1. The City Council holds regular appropriately noticed meetings.
2. American Canyon makes available most documents on its website, including minutes, agendas, and financial and planning reports. The website also provides a means to solicit comments and complaints from customers. The City is compliant with the agenda-posting requirements outlined in AB 2257.

B. City of Calistoga

1. The City Council holds regular appropriately noticed meetings.
2. Calistoga makes available most documents on its website, including minutes, agendas, and financial and planning reports. The website also provides a means to solicit comments and complaints from customers. The City is compliant with the agenda-posting requirements outlined in AB 2257.

C. City of Napa

1. The City Council holds regular appropriately noticed meetings. Meetings are also broadcast live on the City's website.

2. The City makes available most documents on its website, including minutes, agendas, and financial and planning reports. The City is compliant with the agenda-posting requirements outlined in AB 2257.
 3. It is recommended that City of Napa, CVWD, and the County begin discussions regarding moving forward with dissolution of CVWD and extended services by the City of Napa. Discussion should focus on the manner of addressing the challenges to this reorganization option.
 4. Both the Cities of Napa and St. Helena provide water services to the Rutherford Road area, which is outside both cities. It is recommended that the two cities, in coordination with the County as the land use authority in the area, create a communication structure to ensure that duplicative services do not occur elsewhere.
 5. All of the City's outside service customers are prone to disenfranchisement without representation on the water service decision-making body (City Council). It is recommended in order to address this issue, that the City form a Water Commission or Advisory Committee to provide input to the City Council, on which out of area customers may sit or for whom seats are reserved.
- D. City of St. Helena
1. The City Council holds regular appropriately noticed meetings.
 2. St. Helena makes available most documents on its website, including minutes, agendas, and financial and planning reports. The City is compliant with the agenda-posting requirements outlined in AB 2257.
- E. Town of Yountville
1. The Town Council holds regular appropriately noticed meetings.
 2. Yountville makes available most documents on its website, including minutes, agendas, and financial and planning reports. The website also provides a means to solicit comments and complaints from customers. The Town is compliant with the agenda-posting requirements outlined in AB 2257.
 3. Enhanced communication and collaboration between CDVA and the Town are essential to ensuring sustainable water supply. It is recommended that CDVA improve its process for dissemination of information to customers (including Yountville) to keep them informed about issues at the reservoir and treatment plant, the potential for water delivery impacts, and the manner in which the issues are being addressed.

F. Circle Oaks County Water District

1. The District Board holds regular appropriately noticed meetings.
2. COCWD primarily conducts outreach via its website, which makes available comprehensive information and documents to the public. COCWD is fully compliant with the SB 929 and SB 2257 requirements.
3. Governance structure alternatives include contracting with another agency for services or reorganization with a countywide county water district.

G. Congress Valley Water District

1. The District Board holds regular appropriately noticed meetings.
2. The District has not developed a website to make information available to the public as recommended in the 2017 MSR. It is recommended that the District ascertain the cost of creating and maintaining a website and reassess its finding of hardship in regard to compliance with SB 929. CVWD reports that it expects to have a website in place by “the fall of 2020.”
3. CVWD and the City of Napa maintain a good working relationship; however, improvements could be made by initiating a regular reporting structure to keep the District informed.
4. It is recommended that City of Napa, CVWD, and the County begin discussions regarding moving forward with dissolution of CVWD and extended services by the City of Napa. Discussion should focus on the manner of addressing the challenges to this reorganization option.

H. Lake Berryessa Resort Improvement District

1. The County Board of Supervisors serves as directors of the District, and hold regular, noticed meetings.
2. The District maintains a website; however, it contains minimal content beyond payment links and posted responses to questions from 2016.
3. District staff inform residents through mailings and newsletters, posts on the NextDoor social media site, and in-person meetings as needed.

I. Los Carneros Water District

1. The District Board holds regular appropriately noticed meetings.

2. The District primarily conducts outreach via its website, which makes available comprehensive information and documents to the public and solicits input from customers. LCWD is fully compliant with the SB 929 requirements. It is recommended that LCWD review its website and ensure it complies with AB 2257.
 3. Given that NapaSan provides almost all services to the customers within LCWD's boundaries, which in essence is a "functional consolidation," there is potential to streamline the service structure by eliminating a level of administration through a "full consolidation" of the two agencies. It is recommended that NapaSan and LCWD begin discussions regarding the possibility of moving forward with reorganization.
- J. Napa Berryessa Resort Improvement District
1. The County Board of Supervisors serves as directors of the District, and hold regular, noticed meetings.
 2. The District maintains a website; however, it contains minimal content beyond payment links and posted responses to questions from 2016.
 3. District staff inform residents through mailings and newsletters, posts on the NextDoor social media site, and in-person meetings as needed.
- K. Napa County Flood Control and Water Conservation District
1. The District's board includes membership by all County supervisors, and representatives of all incorporated cities/town and a council member from the City of Napa.
 2. The District is empowered with the ability to create "zones of benefit" that could enable small communities to benefit from the staff expertise of a larger organization for reclamation purposes.
- L. Napa River Reclamation District No. 2109
- NRRD conducts regular public hearings in conformance with the Brown Act and maintains a website to provide information to its residents.
- M. Napa Sanitation District
1. The District Board holds regular appropriately noticed meetings.

2. The District primarily conducts outreach via its website, which makes available comprehensive information and documents to the public and solicits input from customers. The website complies with SB 929 and AB 2257 requirements.
3. The District has made significant strides towards improving efficiency of its system and making use of alternative energy sources. In FY 17-18, the District was able to power the treatment facility with 53 percent of self-generated energy through efforts to reduce energy usage and increase energy production and storage.

N. Spanish Flat Water District

1. The District Board holds regular appropriately noticed meetings.
 2. The District struggled to respond to requests for information in a timely manner.
 3. SFWD recently developed a website to comply with SB 929. The District continues to organize and post documents and information to the website. While finalizing the site, SFWD should ensure that it is also meeting the agenda posting requirements in AB 2257.
 4. Governance structure alternatives include contracting with another agency for services, reorganization with a countywide county water district, and transitioning into a county service area.
7. Relationship with Regional Growth Goals and Policies (Government Code 56430(a)(7)):

A. City of American Canyon

1. The City of American Canyon has adopted an Urban Limit Line (ULL) to manage its growth. The ULL represents an agreement with Napa County and is consistent with the County's General Plan and agricultural protection ordinances.
2. The City of American Canyon and four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA), which functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's (MTC) 20-year Regional Transportation Plan. Plans applicable to American Canyon include Napa Countywide Pedestrian Plan, Vision 2040 Moving Napa Forward – A Countywide Transportation Plan, Countywide Bicycle Plan, SR 29 Gateway Corridor Implementation Plan, and Plan Bay Area.

3. Napa LAFCO has adopted a resolution defining the City's water and wastewater service areas. According to the resolution, the City may not provide new or extended water and sewer services within its adopted service areas without prior written LAFCO authorization, with the exception of the Airport Industrial Zone, which is outside of the City boundaries but is exempt from this requirement. This policy is consistent with the California Code §56133 on out-of-area services.
 4. The City's boundaries include three non-contiguous parcels that are outside of its Sphere of Influence (SOI), which are owned by the City and used for municipal purposes. Typically, this would indicate LAFCO's anticipation that these areas be detached from the City; however, it has been Napa LAFCO's practice to not include city-owned property within a city's SOI pursuant to Government Code §56742, which is specific to noncontiguous territories. LAFCO may wish to consider including the noncontiguous city-owned properties in the City of American Canyon's SOI during its next update, or if LAFCO wishes to continue the practice of excluding these properties from the City's SOI, then it may consider clarifying its intent in its policies.
- B. City of Calistoga
1. Calistoga has adopted the Resource Management System and the Growth Management System to manage growth within the City and maintain its small-town character. This objective protects agriculture within and surrounding the municipality, which align with the County's Agricultural Preserve policies.
 2. The City of Calistoga and four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA), which functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's (MTC) 20-year Regional Transportation Plan. Plans applicable to Calistoga include Napa Countywide Pedestrian Plan, Vision 2040 Moving Napa Forward – A Countywide Transportation Plan, Countywide Bicycle Plan, SR 29 Gateway Corridor Implementation Plan, and Plan Bay Area.
 3. The City participates in the Bay Area Integrated Regional Water Management Plan (IRWMP) that aims to coordinate and improve water supply reliability, protect water quality, manage flood protection, maintain public health standards, protect habitat and watershed resources, and enhance the overall health of the San Francisco Bay.

4. The City of Calistoga provides water services to 78 connections outside of its boundary area. Although the exact dates of connection are unknown, most likely water service to these unincorporated properties was established prior to G.C. §56133 and is specifically exempt given that the service was extended prior to January 1, 2001. New water connections to parcels outside the City's jurisdictional boundary have been prohibited by the municipal code since 2005, which aligns with State legislation and LAFCO policy.
 5. The City provides recycled water services to 15 customers. Recycled water services are exempt from requiring LAFCO approval prior to extension of services beyond an agency's boundaries under Government Code §56133.
 6. The City makes its recycled water available for trucking through a filling station at the City's Wastewater Treatment Plant. There is no limit as to the quantity of recycled water that can be trucked as long as the purchaser obtains a prior permit through the City's WWTP. While the City indicated that the trucked water is inappropriate to support development due to its boron levels, in order to ensure that trucked water does not promote development and growth in unincorporated areas where water supply is not sustainable and which may adversely affect agricultural uses, it is recommended that approved uses for trucking of water be defined in the City's municipal code. The intent of this code is to supplement the equivalent recommended County code as the land use authority in unincorporated areas.
- C. City of Napa
1. The City's growth area is limited by the voter-approved Rural Urban Limit (RUL). This constraint on growth aligns with the County's Agricultural Preserve policy.
 2. The City of Napa and four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA), which functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's (MTC) 20-year Regional Transportation Plan. Plans applicable to City of Napa include Napa Countywide Pedestrian Plan, Vision 2040 Moving Napa Forward – A Countywide Transportation Plan, Countywide Bicycle Plan, SR 29 Gateway Corridor Implementation Plan, and Plan Bay Area.
 3. The City of Napa provides outside water services to 2,213 connections. A majority of these connections were established prior to G.C. §56133 and are specifically exempt. The City has adopted policy limiting extension of services outside of the RUL in its Charter Section 180. There are no similar policies regarding extension of services outside the city limits but inside the RUL.

4. The City makes its potable water available for trucking through a filling station. There are no limitations on who may make use of the water for trucking. In order to ensure that trucked water does not promote development and growth in unincorporated areas where water supply is not sustainable and which may adversely affect agricultural uses, it is recommended that approved uses and locations for trucking of water be defined in the City's municipal code to supplement the recommended County policy on approved uses and locations of transported water as the land use authority.

D. City of St. Helena

1. St. Helena aims to control and limit development in order to contain development and preserve open space and agricultural lands in and adjacent to the City. To accomplish this goal, the City has adopted an Urban Limit Line, designated Urban Reserve Areas, and developed the Residential Growth Management System. These growth-limiting practices align with the County's Agricultural Preserve policy.
2. The City of St. Helena and four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA), which functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's (MTC) 20-year Regional Transportation Plan. Plans applicable to Yountville include Napa Countywide Pedestrian Plan, Vision 2040 Moving Napa Forward – A Countywide Transportation Plan, Countywide Bicycle Plan, SR 29 Gateway Corridor Implementation Plan, and Plan Bay Area.
3. The City of St. Helena provides outside water services to 361 residential, commercial and industrial connections. Water service to these unincorporated properties was established prior to G.C. §56133 and is specifically exempt given that the service was extended prior to January 1, 2001. New water connections to parcels located outside the City's jurisdictional boundary are not prohibited by municipal code, which aligns with State legislation and LAFCO policy.

E. Town of Yountville

1. The Town has maintained a conservative SOI in the interest of "seeking to protect its small-town character through land use planning." This objective protects agriculture within and surrounding the municipality, which aligns with the County's Agricultural Preserve policy.

2. The Town of Yountville and four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA), which functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's (MTC) 20-year Regional Transportation Plan. Plans applicable to Yountville include Napa Countywide Pedestrian Plan, Vision 2040 Moving Napa Forward – A Countywide Transportation Plan, Countywide Bicycle Plan, SR 29 Gateway Corridor Implementation Plan, and Plan Bay Area.
3. The Town of Yountville provides outside water services to 36 rural residences. Water service to these unincorporated properties was established in the 1950s, prior to G.C. §56133 and is specifically exempt given that the service was extended prior to January 1, 2001. New water connections to parcels located outside the Town's jurisdictional boundary have been prohibited by municipal code since 1977, which aligns with State legislation and LAFCO policy.
4. The Town of Yountville provides outside wastewater services to the Domaine Chandon property. Wastewater service to the unincorporated property was established prior to G.C. §56133 and is specifically exempt given that the service was extended prior to January 1, 2001. The Town extended services to the property with the understanding that the property would be annexed. The territory has been added to the Town's SOI in anticipation of annexation, which is in alignment with regional planning objectives and LAFCO's policies and mandate. It is recommended that the Town and County continue conversations regarding the potential annexation of the property and the related necessary tax sharing agreement in the interest of finalizing the agreement conditions and promoting logical boundaries.
5. The recycled water service area encompasses the Town's municipal boundaries, and approximately 4,000 acres of vineyards in unincorporated Napa County. Recycled water services are exempt from requiring LAFCO approval prior to extension of services beyond an agency's boundaries under Government Code §56133.
6. The Town makes its recycled water available for trucking through a filling station at the reclamation facility. There are no limitations on who may make use of the recycled water for trucking. In order to ensure that trucked water does not promote development and growth in unincorporated areas where water supply is not sustainable and which may adversely affect agricultural uses, it is recommended that approved uses for trucking of water be defined in the Town's municipal code. The intent of this code is to supplement the equivalent recommended County code as the land use authority in unincorporated areas.

F. Circle Oaks County Water District

1. COCWD is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. LAFCO's adopted policies relating to special district spheres discourage any expansions of COCWD's existing sphere to promote urban development based on current land use designations of lands located within close proximity to the District.

G. Congress Valley Water District

1. CVWD is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. LAFCO's adopted policies relating to special district spheres discourage any expansions of CVWD's existing sphere to promote urban development based on current land use designations of lands located within close proximity to the District.

H. Lake Berryessa Resort Improvement District

1. LBRID is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. LBRID's SOI excludes substantial areas within its boundaries which are designated for single-family development, however, those areas currently are not served by the District and there are minimal prospects of those lands developing and requiring services within a ten-year time horizon.

I. Los Carneros Water District

1. LCWD is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. LAFCO's adopted policies relating to special district spheres discourage any expansions of LCWD's existing sphere to promote urban development based on current land use designations of lands located within close proximity to the District.

J. Napa Berryessa Resort Improvement District

1. NBRID is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.

2. NBRID's SOI excludes substantial areas within its boundaries which are designated for single-family development, however, those areas currently are not served by the District and there are minimal prospects of those lands developing and requiring services within a ten-year time horizon.

K. Napa County Flood Control and Water Conservation District

County departments staff the District and provide for close coordination with regional growth goals and policies.

L. Napa River Reclamation District No. 2109

1. NRRD's SOI excludes substantial areas within its boundaries which are owned and utilized by NRRD for its wastewater plant, and which are designated by the County as "Agriculture, Watershed, and Open Space" similar to adjacent lands outside the District.
2. Excluding approximately 20 acres consisting of NRRD's wastewater plant from NRRD's SOI is consistent with LAFCO's policy to not promote "urban development within land designated as agriculture or open-space under the County General Plan."

M. Napa Sanitation District

1. NapaSan is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. NapaSan provides outside wastewater services to four connections outside of its boundaries—four residences (two served by one connection) and the Napa State Hospital. Two connections were established prior to G.C. §56133 and are specifically exempt given that the service was extended prior to January 1, 2001. For the other two connections, LAFCO approval was appropriately sought. NapaSan does not have policies specific to the extension of services outside of its boundaries or sphere of influence. It is recommended that NapaSan consider defining where outside services will be considered.
3. A majority of the NapaSan's recycled water service area lies outside of its boundaries to the northeast, southeast, and west. Recycled water services are exempt from requiring LAFCO approval prior to extension of services beyond an agency's boundaries under Government Code §56133.
4. NapaSan makes its recycled water available for trucking through two filling stations. The District has appropriately adopted limitations on the location and type of uses for trucked water, to which users are required to sign agreement.

5. The Monticello Park community is experiencing failing septic systems, and replacement is cost prohibitive. There is a need for wastewater services in the area that could be provided by NapaSan. Extension of needed services to the already developed area through provisions in Government Code §56133.5 is an option that would allow for needed services to the defined developed area.

N. Spanish Flat Water District

1. SFWD is not a land use authority that takes part in regional planning efforts and therefore does not impact growth policy.
2. LAFCO's adopted policies relating to special district spheres discourage any expansions of SFWD's existing sphere to promote urban development based on current land use designations of lands located within close proximity to the District.

DRAFT

From: [Phil Brun](#)
To: [Jennifer Stephenson](#); [Freeman, Brendon](#)
Cc: [Joy Eldredge](#); [Patrick Costello](#); [Michael Barrett](#)
Subject: Revised Draft Water/Wastewater MSR
Date: Tuesday, September 15, 2020 8:50:01 AM
Attachments: [C2019 323 Carneros Mutual Water Compandy.pdf](#)

[External Email - Use Caution]

Jennifer and Brendon,

I have briefly looked through the redline draft of the LAFCO Water/Wastewater MSR and don't have any significant concerns with revisions, however I wanted to advise you that Carneros Mutual Water Company (referred to as Carneros Inn in the report) has activated their service from the City of Napa pursuant to the attached agreement. I understand that the County has placed conditions on Carneros Inn related to groundwater use once the connection to the City has been made. These details seem appropriate for the new section on private water companies that has been added to the report.

PHIL

Phil Brun Jr., PE
Utilities Director, Utilities Department
City of Napa | P.O. Box 660 | Napa, CA 94559-0660
☎ 707.257.9316 | 707.246-2824 (cell) | ✉ pbrun@cityofnapa.org
Water • Solid Waste • Recycling

**WHOLESALE WATER SUPPLY AGREEMENT BETWEEN
THE CITY OF NAPA AND CARNEROS MUTUAL WATER COMPANY**

This Wholesale Water Supply Agreement ("**Agreement**") by and between the City of Napa, a California charter city ("**City**"), and the Carneros Inn Mutual Water Company dba Carneros Mutual Water Company, a nonprofit mutual water company ("**Water Company**"), is effective on the Effective Date identified on the signature page.

RECITALS

A. City is the owner and operator of a water system in the County of Napa, State of California, and is engaged in the supply and distribution of water to customers inside and outside of the City's corporate limits.

B. Water Company is the owner and operator of an on-site water treatment and distribution system for groundwater in the County of Napa, State of California, and is engaged in the distribution of water to customers within the boundaries of its service area.

C. Due to challenges with groundwater quality and quantity, Water Company has been purchasing water from the City since 2008 through a hydrant and trucking it on site. To reduce the water truck trips, Water Company requested wholesale water service from the City to serve existing development within Water Company's service area depicted on **Exhibit A ("Carneros Water Service Area")**, which is attached hereto and incorporated by this reference.

D. City staff has determined that the City has sufficient treatment, storage, and conveyance capacity to accommodate Water Company's request and that providing the wholesale water service will have no adverse effect on water supply availability.

E. Congress Valley Water District ("**District**") was formed in 1949 to provide water service to the unincorporated community of Congress Valley. The District currently provides water service to approximately 99 active connections through pipelines owned by the District ("**CVWD Pipes**"). The District has no developed water supply resources or storage facilities. Instead, the City has supplied water to the District since 1951 pursuant to a Water Supply Agreement ("**CVWD Contract**"). Under the CVWD Contract, the City has the right to wheel water through CVWD Pipes to serve City customers.

F. To receive City water, Water Company intends to connect its system via a private water line to an 8-inch diameter pipeline that is part of CVWD's Pipes located on Old Sonoma Road approximately 2,700 feet from the Carneros Water Service Area and more particularly identified on **Exhibit B ("Interconnection")**, which is attached hereto and incorporated by this reference. On December 10, 2018, the District's Board adopted Resolution 67 approving conditions of approval for Water Company's connection and pipeline extension.

G. City Charter Section 180 prohibits extension of water service outside City limits and the City Rural Urban Limit Line ("**RUL**") unless the extension is approved by a four-fifths (4/5) vote of the City Council (or under limited exceptions not applicable here).

H. Water Company's water service area is outside the City limits and outside the RUL and requires a four-fifths (4/5) vote of approval by the City Council to be granted service.

I. Under the Cortese-Knox-Hertzberg Local Government Reorganization Act, particularly California Government Code Sections 56133 and 56133.5, the Local Agency Formation

Commission of Napa County ("LAFCO") is required to review and approve any proposed new or extended water service outside the City's sphere of influence to support existing uses.

J. City staff and Water Company developed a non-binding summary of conceptual terms of a wholesale water agreement described in **Exhibit C ("Term Sheet")**, which is attached hereto and incorporated by this reference. The Term Sheet identified the service area and uses for City water, established a maximum water supply, specified applicable rates and fees for water service, and identified the infrastructure requirements for the water service. The Term Sheet also specified a supplemental contribution to be paid by Water Company towards the design and construction of a new water storage tank to serve the Browns Valley area as consideration to induce the City to extend water service to the Water Company and to facilitate the regional effort to promote water sustainability.

K. On March 20, 2018, the City Council adopted by a 4-1 vote, Resolution R2018-032, authorizing extension of outside-City water service to Water Company, subject to: (a) execution of a Wholesale Water Agreement in a form satisfactory to the Public Works Director, and approved as to form by the City Attorney, in substantial conformance with the Term Sheet; (b) authorization from LAFCO, pursuant to Government Code Sections 56133 and 56133.5, to extend the water service to existing uses involving public or private properties; and (c) approval of a use permit or use permit modification authorizing the water line extension and connection and associated California Environmental Quality Act ("**CEQA**") analysis by Napa County.

L. The City and Water Company now wish to formalize the terms and conditions conceptually established in the Term Sheet.

NOW THEREFORE, the City and Water Company, for the mutual consideration described herein, agree as follows:

1. **TERM**. The term of this Agreement begins on the date it is signed by the City Clerk, below, attesting to full execution of the Agreement by both parties ("**Effective Date**"), and ends on June 30, 2069 ("**Term**"), unless terminated earlier as provided herein.

2. **WHOLESALE WATER SERVICE**. Subject to the terms and conditions set forth herein, City shall annually deliver to Water Company the quantity and quality of water described herein for the Term of this Agreement. The term "annually" or "fiscal year" as used herein shall refer to the period from July 1 of any year through June 30 of the following year.

3. **QUANTITY OF WATER DELIVERIES**.

3.1 **Water Supply**. City shall deliver and Water Company shall accept and purchase up to a maximum of forty-three (43) acre-feet of water annually ("**Water Supply**"). Any portion of the Water Supply that is available for delivery by City and that is not accepted and/or purchased by Water Company during a given fiscal year shall be forfeited and shall not roll over to the next fiscal year. If City, in its sole and absolute discretion, agrees to deliver unused Water Supply water in a subsequent fiscal year, such late delivery shall be an accommodation to Water Company and shall not constitute a waiver or amendment to the terms of this Agreement.

3.2 **Inadvertent Excess Water Use**. City shall have no obligation to supply water in excess of the annual Water Supply provided for under this Agreement. If Water Company inadvertently exceeds the maximum annual use of water in any fiscal year, the City shall report the excess use to the County of Napa, and Water Company shall decrease its annual use in the subsequent year so that the average annual water use over any two years will not exceed 43 acre-feet.

3.3 **Water Conservation Requirements**. If a water supply shortage occurs, as determined by City in its sole and exclusive discretion, upon receipt of written notice from City, Water Company shall apply water conservation requirements and restrictions to its customers that are no less

restrictive than those placed on City customers. City shall not determine that there is a water supply shortage unless it is imposing water conservation requirements and restrictions on its own customers.

3.4 Trucked Water. The water provided under this Agreement shall be conveyed to Water Company via the City meter located within the Interconnection as described in Paragraph 6.1 (Point of Delivery). Commencing with the delivery of water to Water Company under this Agreement, City shall have no obligation to provide, and Water Company agrees to waive any right to request or receive, trucked water for any use within the Carneros Water Service Area; provided, however, that to the extent Water Company presents evidence of interruption of delivery as described in Paragraph 6.3 (Interruption of Delivery), City may provide trucked water to Water Company in an amount not to exceed a total of 43 acre-feet of water per fiscal year.

4. WATER QUALITY.

4.1 Potability. The Water Supply delivered to Water Company by City shall be of suitable quality for human consumption and of the same quality that City delivers to its residential customers. No later than 24 hours after either party becomes aware of any significant impairment of water quality (delivered under this Agreement) that affects its suitability for human consumption, that party shall notify the other party. City and Water Company shall cooperate to identify the cause of such change in water quality. To the extent that the quality standards which are applicable to Water Company exceed the quality standards provided for in this Agreement, Water Company shall be responsible for any necessary additional treatment of the Water Supply. Water Company shall be solely responsible for any actual liability resulting from a change in water quality occurring beyond the Point of Delivery (as described in Paragraph 6.1), including any additional treatment undertaken by Water Company, and shall indemnify and hold City harmless from any actual liability which arises from any such change in the manner provided for in Paragraph 11.2 (Indemnification).

4.2 Double Check Valve. Water Company shall install and maintain a double check valve cross connection control device as close as practical to the Interconnection described in Paragraph 6.1 (Point of Delivery). The double check valve shall be approved by City prior to installation. Water Company shall provide yearly testing reports to City to certify that the device is operational. Water Company shall repair or replace a malfunctioning or failing device within fifteen (15) days of notification.

5. PRICE AND PAYMENT.

5.1 Fees and Charges. City shall charge Water Company, and Water Company shall pay the City, the then-current fees and charges in effect for "Commercial Customers" that are "Outside City Limits," (as those terms are defined by applicable City Council resolutions) including any and all one-time fees and charges to cover the City's costs to install or modify water services and/or to establish connection to the City's water system. As of the execution of this Agreement, the current fees and charges in effect are documented in the City's Master Fee Schedule, which includes the water rates established by City Council Resolution R2017-153 (and the water service customer classes are defined in Exhibit D thereto). The parties acknowledge and agree that the current fees and charges may be updated from time to time by City Council resolution, and incorporated into this Agreement as if set forth in full.

5.2 Supplemental Contribution. In consideration for City's discretionary approval of the terms of this Agreement and the mutually beneficial goal of increasing the sustainability of the region's water supply, Water Company shall pay City an amount equal to half of the City's costs to design and construct a new water storage tank to serve the Browns Valley area ("**Contribution**"), provided that Water Company's Contribution shall not exceed 1.75 million dollars (\$1,750,000.00). Water Company shall pay the Contribution to City no later than the initial delivery of wholesale water from City to Water Company, whereupon City shall deposit said funds into an escrow account and hold the funds for the sole benefit of City until construction of the storage tank is complete. The principal

in the escrow account may not be withdrawn until City determines the construction is final and complete and City notifies Water Company in writing of the same. Upon completion, City shall retain the entire \$1.75 million payment; provided, however, that if the cost of construction is less than \$3.5 million, then City shall reimburse Water Company with the escrow funds in an amount equal to \$1.75 million less 50% of the cost of design and construction. Water Company shall be responsible for paying all fees for the expenses incurred by the escrow agent and City in administering the escrow account. The interest earned on the funds held in escrow shall be for the sole account of Water Company and shall be paid to Water Company upon final disposition of the Contribution.

5.3 Billing.

5.3.1 Invoices. City shall bill Water Company no more frequently than on a monthly basis for water supplied during the previous month(s), and Water Company shall pay the bill within thirty (30) days of the date of the bill. The amount payable by Water Company to City shall consist of a Fixed Service Charge (based on meter size) and a Water Quantity Charge (based on the total quantity of water delivered per 1,000 gallon units) multiplied by the applicable fees and charges (as determined in Paragraph 5.1 (Fees and Charges)), and an Elevation Charge (for pumped zone customers), plus any other costs, fees or charges due and payable by Water Company pursuant to City's master schedule of water fees and charges as may be amended from time to time by the City Council. Delinquent bills shall bear interest at the rate of ten percent (10%) per annum. A supplemental bill will be sent at the end of a fiscal year if less than 33 acre-feet of water is taken to ensure Water Company makes the minimum payment provided for in Paragraph 5.3.2 (Minimum Payment).

5.3.2 Minimum Payment. Notwithstanding any other provisions in this Agreement, Water Company shall be obligated to pay City for all water delivered or made available for delivery by City to the Interconnection, which amount shall be no less than 33 acre-feet annually, whether or not: (a) Water Company has taken less than 33 acre-feet of water as of the final billing for a fiscal year, or (b) Water Company is able to make beneficial use of the total quantity of such water. Water Company's failure or refusal to accept delivery of water to which it is entitled under this Agreement shall in no way relieve Water Company of its obligation to make payments to City as provided for in this Agreement.

5.3.3 Billing Disputes. If Water Company contests the accuracy of any bill submitted to it pursuant to this Agreement, it shall give City notice thereof at least ten (10) days prior to the day upon which payment of the stated amounts is due. To the extent that City finds Water Company's contentions regarding the bill to be correct, it shall revise the bill accordingly, and Water Company shall make payment of the revised amounts on or before the due date. To the extent that City does not find Water Company's contentions to be correct or where time is not available for a review of such contentions prior to the due date, Water Company shall make payment of the stated amounts on or before the due date but may make the contested part of such payment under protest and seek to recover the amount thereof from City. If the parties are unable to reach an agreement regarding disputed charges, disputes shall be resolved pursuant to Section 10 (Dispute Resolution).

5.3.4 Nonpayment. If Water Company defaults in the payment of any money required to be paid to City hereunder, City may, upon not less than thirty (30) days written notice to Water Company, suspend deliveries of water under this Agreement for so long as such default continues. During such period, Water Company shall remain obligated to make all payments required under this Agreement. Action taken pursuant to this paragraph shall not deprive City of or limit the applicability of any remedy provided by this Agreement or by law for the recovery of money due or which may become due under this Agreement.

6. DELIVERY OF WATER.

6.1 Point of Delivery. The physical point of delivery of water pursuant to this Agreement shall be the City-installed meter located at the proposed interconnection between the Water Company water distribution system and an 8-inch diameter pipeline on Old Sonoma Road operated by the District as is more particularly depicted in Exhibit B.

Water Company has the physical ability to control the rate, time, and amount of delivery, and shall not take delivery of more water than it is entitled to receive under this Agreement or at rates greater than that set forth in Paragraph 6.2 (Rate of Delivery).

6.2 Rate of Delivery. Absent *force majeure* or other exigent circumstances beyond Water Company's control, the rate of delivery shall not exceed one hundred sixty (160) gallons per minute at any time.

6.3 Interruption of Delivery. City may temporarily discontinue or reduce water deliveries as herein provided for the purposes of investigation, inspection, maintenance, repair or replacement of its water system facilities necessary for the delivery of water to Water Company, as well as due to outages in, or reduction in capabilities of such facilities beyond City's control, or in the event of an emergency or disaster, including, but not limited to *force majeure*, earthquakes, droughts, floods, storms, explosions, fires, labor troubles, strikes, insurrection, riots, acts of the public enemy, or federal or state order, rule, or regulation preventing the City, in whole or in part, from delivering water as provided herein. City shall provide notice as far in advance as practicable of any such interruption, except in the case of emergency or disaster in which case no advance notice will be required, but notice shall be given as promptly as feasible. City shall use its best efforts to avoid and minimize any such temporary interruption of deliveries, and shall resume deliveries as soon as City determines, in its sole and exclusive discretion, that it is practicably feasible to do so. Interruption in deliveries shall not affect Water Company's payment obligation for water delivered set forth herein.

6.4 Measurement of Water Delivered. The water delivered under this Agreement shall be measured by a meter at the interconnection. The meter shall be owned, operated, maintained, replaced and read by City, subject to Water Company's right to annual testing and calibration of the flow meter to verify accuracy. Each party shall have the right to test the meter at its own expense.

6.5 Operations. Water Company recognizes and agrees that City shall have the right, in its sole and exclusive discretion, to operate the City water system including but not limited to treatment plants, transmission facilities, storage tanks, and pump stations. Water Company recognizes and agrees that there is no guarantee of consistent pressure at the meter and that fluctuations will occur based on City's operation of various treatment plants. Water Company bears full responsibility for providing adequate conveyance facilities to accept and make beneficial use of the water once it passes through the meter.

6.6 Reporting. Water Company shall report all water delivered under this Agreement to the applicable reporting agencies, including, but not limited to, County of Napa, which shall be responsible for all permit and license enforcement.

7. WATER COMPANY'S OBLIGATIONS.

7.1 Facilities. Water Company shall be solely responsible, at its own expense, for designing, constructing, operating, and maintaining the private water line to the City meter at the interconnection. Water Company shall be solely responsible for obtaining any and all necessary licenses, easements, rights of way, and property interests as may be reasonably necessary to build the interconnection and deliver the water to Water Company.

7.2 Permitting. Water Company shall be solely responsible, at its own expense, for obtaining any and all regulatory and environmental permits, licenses or other approvals necessary to

construct and operate the Interconnection, including, but not limited to construction permits from the County of Napa and associated CEQA and other environmental clearances.

7.3 Water Distribution. Water Company shall be solely responsible for the control, carriage, handling, use, disposal, and distribution of water supplied to Water Company hereunder after it has passed through the City meter.

7.4 Boundaries of Water Use. Water Company shall only supply water received under this Agreement to its shareholders for their own use within the Carneros Water Service Area in effect as of March 1, 2018, as depicted on Exhibit A and in accordance with applicable law and the Company's articles of incorporation. Neither Water Company nor any of its shareholders shall use the water supplied under this Agreement outside of those boundaries, even if the boundaries are amended from time to time, without first amending this Agreement pursuant to Section 12.11.

7.5 Limitations on Water Users. Notwithstanding any future changes to the number or type of units served by Water Company, the use of the water supplied under this Agreement shall be limited to the existing number of units within the current boundaries, unless this Agreement is amended. The existing units are comprised of 86 resort cottages (including 10 two-cottage suites), 24 whole ownership homes, and 17 fractional ownership homes depicted on a map (**Exhibit D**), which is attached hereto and incorporated by this reference. Water Company shall not transfer, remarket, or sell the water supplied under this Agreement to any parties or persons within the Carneros Water Service Area except its shareholders, or any other parties or persons outside the Carneros Water Service Area, without first amending this agreement pursuant to Section 12.11, and shall utilize best efforts to prevent its shareholders from doing so.

7.7 Records of Performance. Water Company shall maintain adequate records of performance under this Agreement (including invoices for payment and payments received) and make these records available to City for inspection, audit, and copying, during the term of this Agreement and until four years after the Agreement has expired or been terminated.

8. CONDITIONS PRECEDENT TO THIS AGREEMENT. Water Company and City acknowledge and agree that the following are conditions precedent to the City's execution of this Agreement: (a) LAFCO's authorization for City to extend water service, pursuant to Government Code Sections 56133 and 56133.5; and (b) County of Napa's approval for Water Company to construct a water line and connect to the Interconnection, pursuant to the issuance of a use permit (or comparable land use approval) and analysis thereof under the California Environmental Quality Act ("**CEQA**"). Because the LAFCO and County approvals are essential consideration for this Agreement, failure to obtain either or both approvals will preclude City from entering into this Agreement.

9. TERMINATION AND DEFAULT.

9.1 Termination. In addition to any other rights of termination and suspension set forth under this Agreement or at law, City shall have the right, in its sole and exclusive discretion, to terminate this Agreement upon thirty (30) days' written notice for the following causes: (a) Water Company takes water at a rate greater than that specified or at times not authorized in this Agreement, (b) Water Company defaults in payment of the monthly bill for greater than ninety (90) days, and/or (c) an approval which was a condition precedent to this Agreement is revoked or terminated.

9.2 Default. Water Company shall be deemed in default of this Agreement if Water Company is not complying with the terms of this Agreement or fails to provide City with reasonable assurances of Water Company's ability to perform its obligations under this Agreement within thirty (30) days of City's written request. If either of these circumstances exist, City may give written notice of default to Water Company and demand that the default be cured or corrected within ten (10) days of the notice, unless City determines that additional time is reasonably necessary to cure the default. If Water Company fails to cure the default within the time specified in the notice, and Water Company fails to give adequate written assurance of due performance within the specified

time, then City may terminate this Agreement in accordance with Paragraph 9.1 (Termination), or the City may pursue dispute resolution in accordance with Section 10 (Dispute Resolution).

9.3 Surviving Clauses. The following provisions shall survive expiration or termination of this Agreement: Paragraph 7.7 (Records of Performance), Section 10 (Dispute Resolution), Paragraph 11.2 (Indemnification), and Section 12 (General Provisions).

10. DISPUTE RESOLUTION.

10.1 Meet and Confer. If any dispute arises between the parties in relation to this Agreement, the Authorized Representatives for each party shall meet, in person, as soon as practicable, to engage in a good faith effort to resolve the dispute informally. If the parties are unable to resolve the dispute, in whole or in part, through informal discussions, the parties agree to participate in mediation. Notwithstanding the existence of a dispute, City shall continue providing Water Company with the Water Supply during the course of any dispute, except as otherwise provided for in this Agreement.

10.2 Notice. Either party may give written notice to the other party of a request to submit a dispute to mediation, and a mediation session must take place within sixty (60) days of the date that such notice is given, or sooner if reasonably practicable. The parties shall jointly appoint a mutually acceptable mediator. The parties shall share equally the costs of the mediator; however, each party shall pay its own costs of preparing for and participating in the mediation, including any legal costs.

10.3 Conditions Precedent. Good faith participation in mediation pursuant to this Section 10 is a condition precedent to either party commencing litigation in relation to the dispute. In addition, any claims by Water Company arising from or related to this Agreement are subject to the claim presentment requirements in the Government Claims Act (Government Code section 900 et seq.).

11. LIABILITY AND INDEMNITY.

11.1 Limitation on Liability. Neither City nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal or distribution of water after it has passed the Interconnection hereunder, nor for any damage or claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death arising out of or connected with the same.

11.2 Indemnification. To the full extent permitted by law, Water Company shall indemnify, hold harmless, release and defend City, its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs and liabilities of any nature that may be asserted by any third party including, but not limited to, Congress Valley Water District, arising out of this Agreement excepting only liabilities due to the sole negligence or willful misconduct of City. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for Water Company under Worker's Compensation, disability or other employee benefit acts or the terms, applicability of limitations or any insurance held or provided by Water Company and shall continue to bind the parties after termination/completion of this Agreement.

11.3 Third Party Claims. Promptly following notice of any third party claims for which City is indemnified hereunder, City shall notify Water Company of such claim in writing. Water Company shall have a period of thirty (30) days following receipt of such notice to notify City of whether Water Company elects to assume the defense thereof. If Water Company so notifies City that it elects to assume the defense, Water Company thereafter shall undertake and diligently pursue the defense of the third party claim. Water Company shall not consent to entry of a judgment or enter into any settlement agreement without the consent of the City, which does not include a complete and unconditional release of City or which imposes injunctive or other equitable relief against City. City shall be entitled to participate in, but not control, the defense thereof, with counsel of its choice and at its own expense. If Water Company does not give the requisite notice, or fails to assume and

diligently pursue the defense of such third party claim, City may defend against such third party claim in such manner as it may deem appropriate, at Water Company's expense, including without limitation settlement thereof on such terms as City may deem appropriate and to pursue such remedies as may be available to City against Water Company. Notwithstanding the foregoing, City shall not consent to entry of a judgment or enter into any settlement agreement without the consent of Water Company, which does not include a complete and unconditional release of Water Company.

11.4 Notice of Claims. The parties shall promptly notify each other within ten (10) days of City or Water Company becoming aware of: (1) any claims or suits brought against City or Water Company which involve this Agreement or water supplied to Water Company pursuant to this Agreement, (2) any third party claims, and (3) any *force majeure* event.

11.5. No Damages. Under no circumstances shall either party be liable for any indirect, special, incidental, punitive or consequential damages of any kind under this Agreement even if the other party has been advised of the possibility of such damages.

12. GENERAL PROVISIONS

12.1 Headings. The heading titles for each section of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.

12.2. Attorney's Fees. In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

12.3 Governing Law, Jurisdiction, and Venue. The interpretation, validity, and enforcement of this Agreement shall be governed and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Napa.

12.4 Notices. All notices or requests required or contemplated by this Agreement shall be in writing and delivered to the other party's authorized representative by personal delivery, U.S. Mail, nationwide overnight delivery service, email, or as otherwise specified herein. Delivery is deemed effective upon the first to occur of: (a) actual receipt by a party's Authorized Representative, (b) actual receipt at the address identified below, or (c) three business days following deposit in the U.S. Mail of registered or certified mail sent to the address identified below. A party's contact information, below, may be changed by providing written notice of any change to the other party.

TO CITY: Phil Brun
 Utilities Director
 City of Napa
 P.O. Box 660
 Napa, CA 94559-0660
 pbrun@cityofnapa.org

TO CARNEROS: Greg Flynn
 Carneros Resort & Spa
 4048 Sonoma Highway
 Napa, CA 94559
 gflynn@flynnholdings.com

12.5 Books and Records. During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and make copies of any books, records, or reports of the other party pertaining to this Agreement or matters related hereto. Each

of the parties hereto shall maintain and make available for such inspection accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.

12.6. No Third Party Beneficiary. Nothing in this Agreement shall be construed or deemed as intending to create or confer any third party beneficiaries or rights in any third parties.

12.7. Successors and Assigns. This Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties hereto.

12.8. Assignment and Delegation. This Agreement shall not be assigned or transferred in whole or in part, nor shall any of Water Company's duties be delegated unless and until it is approved in writing by City and made subject to such reasonable terms and conditions as City may impose. Any attempt to assign, transfer, or delegate this Agreement, in whole or any part, without the City's prior written consent shall be void and of no force or effect. Any consent by City to one assignment, transfer, or delegation shall not be deemed to be consent to any subsequent assignment, transfer, or delegation.

12.9. Privileges and Immunities. The parties hereby agree that the activities of each parties' officers, agents, and employees shall be subject to the privileges, immunities, and protections of Government Code section 6513.

12.10. Waiver. No waiver of a breach, default, or duty under this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, default, or duty. Waiver of a breach, default, or duty under this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach, default, or duty under this Agreement.

12.11. Modifications. This Agreement may not be amended or modified orally. No amendment or modification of this Agreement is binding unless it is in a writing signed by both parties.

12.12. Provisions Deemed Inserted. Every provision of law required to be inserted or referenced in this Agreement shall be deemed to be inserted or referenced.

12.13. Interpretation. Each party to this Agreement has had an opportunity to review the Agreement, consult with its respective legal counsel regarding the meaning of the Agreement, and negotiate revisions to the Agreement. Accordingly, Civil Code Section 1654 shall not apply to interpret any uncertainty in the meaning of the Agreement.

12.14. Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the subject matter described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all. If any provision in any document attached or incorporated into this Agreement conflicts or is inconsistent with a provision in the body of this Agreement, the provisions in the body of this Agreement shall control over any such conflicting or inconsistent provisions.

12.15. Severability. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this section shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.

12.16. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Water Company and City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective on the Effective Date set forth below.

CITY:

CITY OF NAPA, a California charter city


Phil Brun, Utilities Director

WATER COMPANY:

CARNEROS MUTUAL WATER COMPANY,
a nonprofit mutual water company

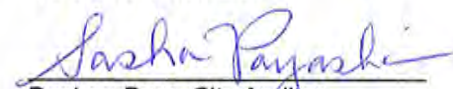

Greg Flynn, Vice President

ATTEST:


Tiffany Carranza, City Clerk

Date: 11/14/2019
("Effective Date")

COUNTERSIGNED:


Desiree Brun, City Auditor
For SASHA PAVASUARI, Deputy City Auditor

APPROVED AS TO FORM:


Michael W. Barrett, City Attorney

Attachments:

Exhibit A: Carneros Water Service Area

Exhibit B: Interconnection

Exhibit C: Term Sheet

Exhibit D: Existing Water Company Water Users

EXHIBIT A

EXHIBIT A — CARNEROS WATER SERVICE AREA

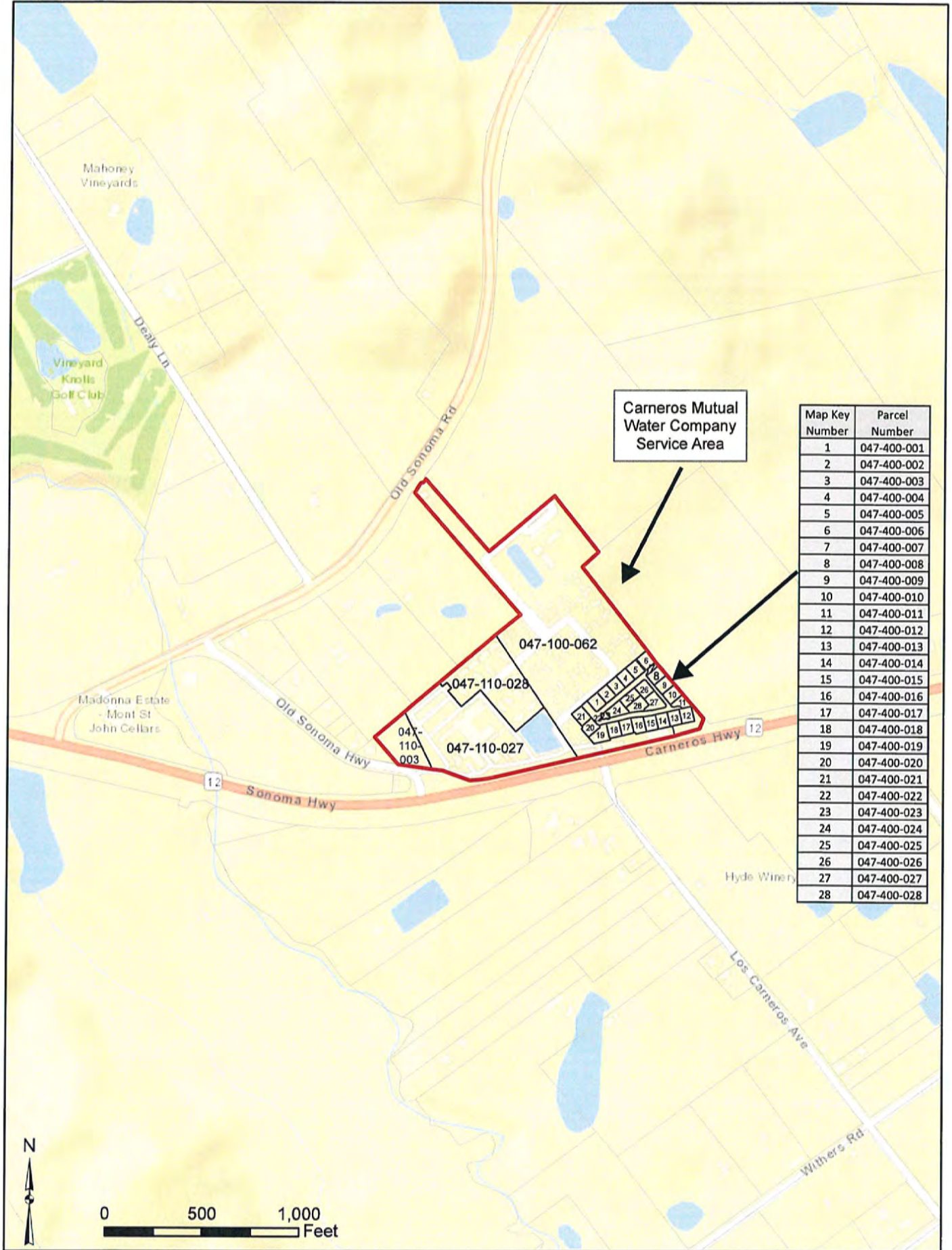


EXHIBIT B

EXHIBIT B — INTERCONNECTION

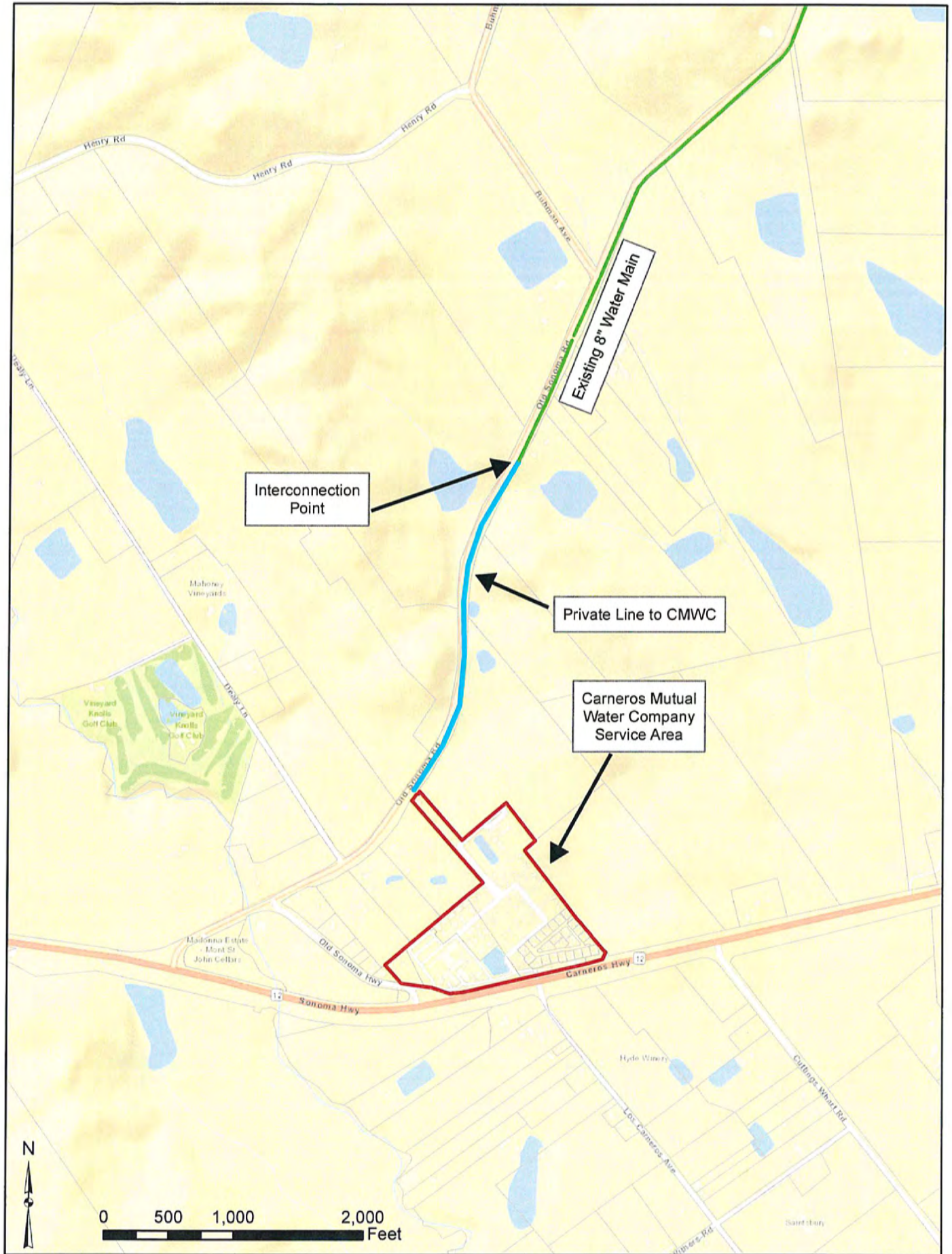


EXHIBIT C

**NON-BINDING SUMMARY OF CONCEPTUAL TERMS
of a
WHOLESALE WATER AGREEMENT
between the City of Napa
and Carneros Mutual Water Company**

(March 20, 2018)

This Non-Binding Summary of Conceptual Terms of a Wholesale Water Agreement (“Summary Terms”) is intended to reflect a summary of the conceptual terms tentatively agreed upon between the negotiating representatives from the City of Napa (“City”) and the Carneros Mutual Water Company (“Company”). These Summary Terms are not binding on either party unless they are embodied in a Wholesale Water Agreement negotiated and executed by both parties.

- 1. Supply: City will supply Company with a minimum of 33 and a maximum of 43 acre-feet of water per year. The water will be wheeled through Congress Valley Water District (“District”) pipes pursuant to the terms of the current water supply contract between the City and the District.**
- 2. Term: The term of the proposed Wholesale Water Agreement will be 50 years.**
- 3. Rates and Fees:**
 - Company will pay for water at City’s outside commercial rate, as that rate may be adjusted from time to time by resolution of the City Council.**
 - If Company receives less than 33 acre-feet in any fiscal year, Company will pay City the minimum annual payment for that fiscal year equal to the outside commercial rate for 33 acre-feet.**
 - Company will pay all standard water fees to establish connection to the system.**
- 4. Water Use: Company may only supply water to its shareholders for their own use within its service area, as provided by law and Company’s articles of incorporation. Neither Company nor its customers may provide water to third parties or transfer it for use outside the service area in effect on March 1, 2018 (the “Contract Service Area”).**
- 5. No Expansion: Neither the boundaries of the Contract Service Area nor the current number of units within it (86 resort cottages plus 24 whole ownership and 17 fractional ownership homes) shall be expanded during the term of the Wholesale Water Agreement.**

6. **Water Line:** Company will, at its own expense, design, build, maintain and operate a private water line from a City meter (to be installed by the City near the terminus of the existing 8-inch water line on Old Sonoma Road) to the Company's Contract Service Area (identified as the "proposed water line extension" on the map attached). Company will be responsible for obtaining all property interests necessary to construct, maintain, and operate the proposed water line extension, which may include the use of County of Napa ("County") right of way on Old Sonoma Road.
7. **Contribution:** Company will pay the City an amount equal to 50% of the City's cost to design and construct a new water storage tank to serve the Browns Valley area, up to a maximum payment by Company of \$1.75 million. This payment by Company represents a supplemental contribution by Company in consideration for the City's discretionary approval of the terms of the proposed Wholesale Water Agreement, since the Company's use of water under the proposed Wholesale Water Agreement does not require construction of the new tank. Company will pay the City \$1.75 million prior to receiving wholesale water from the City via the newly-constructed pipeline extension, and the City will place that amount in an escrow account until construction of the storage tank is complete. At the time of completion of construction of the storage tank: (a) if the cost of construction is \$3.5 million or greater, the City will retain the entire \$1.75 million payment; and (b) if the cost of construction is less than \$3.5 million, the City will reimburse Company in an amount equal to \$1.75 million less 50% of the cost of construction.
8. **Groundwater:** Nothing in the Wholesale Water Agreement will preclude Company from continuing to extract and use groundwater up to a maximum amount to be determined by County.
9. **Reporting:** City will report all water use to County, which will be responsible for all permit and license enforcement.
10. **Environmental:** Company will, at its own expense, obtain all permits necessary to construct and operate the water line. Since the County will be the lead agency for CEQA review, the County's approval of compliance with CEQA will be a condition precedent of the proposed Wholesale Water Agreement. Company will pay the cost of environmental review.
11. **City's Right to Interrupt Water Supply:** Company agrees that the terms of the proposed Wholesale Water Agreement will be subject to the City's standard terms of delivery of wholesale water, including the right to interrupt water supply due to circumstances that are outside the control of the City, based on terms similar to those set forth in the Water Supply Agreement between the City of Napa and the City of St. Helena.
12. **Remedies for Inadvertent Excess Water Use:** City will have no obligation to provide water supply to the Company beyond the maximum of 43 acre-feet of water per year under the Water Supply Agreement. In the event that Company

inadvertently exceeds the maximum annual use of water in any year, the City will report the excess use to the County, the Company will decrease the annual use in the subsequent year so that the average annual water use over any two years will not exceed 43-acre feet, and the Company will pay a surcharge to cover the City's costs of adjusting and monitoring the water use.

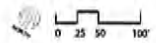
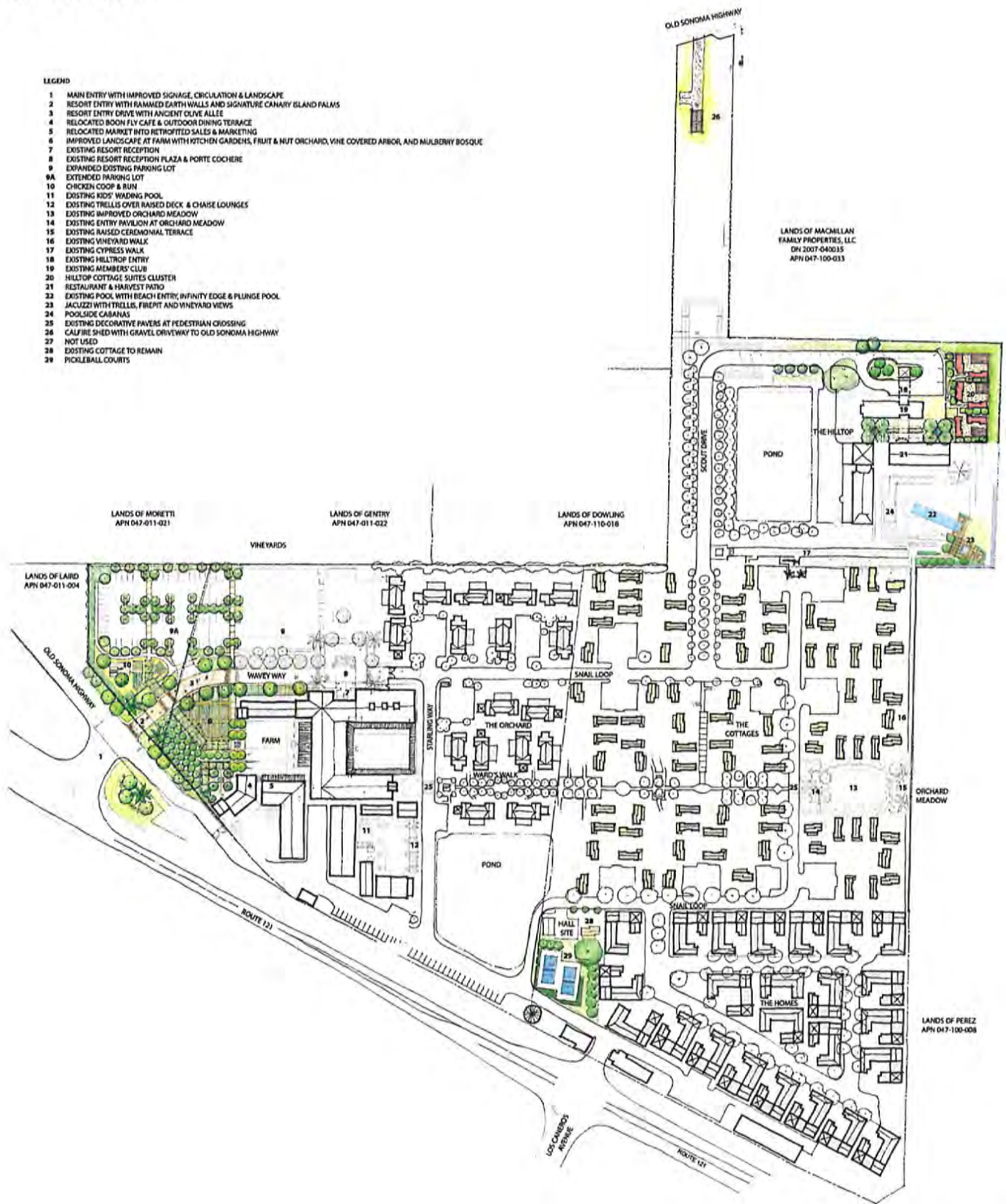
- 13. Trucked Water: City will not provide trucked water for any use within the Contract Service Area; except that, to the extent that the Company provides evidence of an unforeseen interruption of water supply from the City under the Water Supply Agreement, the City may provide trucked water. However, the total amount of all water supplied by the City to the Contract Service Area will not exceed the maximum of 43 acre-feet of water per year.**

EXHIBIT D

ILLUSTRATIVE MASTER PLAN

LEGEND

- 1 MAIN ENTRY WITH IMPROVED SIGNAGE, CIRCULATION & LANDSCAPE
- 2 RESORT ENTRY WITH RAMMED EARTH WALLS AND SIGNATURE CANARY ISLAND PALMS
- 3 RESORT ENTRY DRIVE WITH ANCIENT OLIVE ALLEE
- 4 RELOCATED BOON FLY CAFE & OUTDOOR DINING TERRACE
- 5 RELOCATED MARKET INTO RETROFITTED SALES & MARKETING
- 6 IMPROVED LANDSCAPE AT FARM WITH KITCHEN GARDENS, FRUIT & NUT ORCHARD, VINE COVERED ARBOR, AND MULBERRY BOSQUE
- 7 EXISTING RESORT RECEPTION
- 8 EXISTING RESORT RECEPTION PLAZA & PORTE COCHERE
- 9 EXPANDED EXISTING PARKING LOT
- 9A EXTENDED PARKING LOT
- 10 CHICKEN COOP & RUN
- 11 EXISTING KIDS' WADING POOL
- 12 EXISTING TRELLIS OVER RAISED DECK & CHAIR LOUNGES
- 13 EXISTING IMPROVED ORCHARD MEADOW
- 14 EXISTING ENTRY PAVILION AT ORCHARD MEADOW
- 15 EXISTING RAISED CEREMONIAL TERRACE
- 16 EXISTING VINEYARD WALK
- 17 EXISTING CYPRESS WALK
- 18 EXISTING HILLTOP ENTRY
- 19 EXISTING MEMBERS CLUB
- 20 HILLTOP COTTAGE SUITES CLUSTER
- 21 RESTAURANT & HARVEST PATIO
- 22 EXISTING POOL WITH BEACH ENTRY, INFINITY EDGE & PLUNGE POOL
- 23 JACUZZI WITH TRELLIS, FIREPIT AND VINEYARD VIEWS
- 24 POOLSIDE CABANAS
- 25 EXISTING DECORATIVE FAYERS AT PEDESTRIAN CROSSING
- 26 CALFIRE SHED WITH GRAVEL DRIVEWAY TO OLD SONOMA HIGHWAY
- 27 NOT USED
- 28 EXISTING COTTAGE TO REMAIN
- 29 PICKLEBALL COURTS





A Tradition of Stewardship
A Commitment to Service

County of Napa
County Executive Office

1195 Third Street
Suite 310
Napa, CA 94559-3035
www.countyofnapa.org

Main: (707) 253-4421
Fax: (707) 253-4176

Minh C. Tran
County Executive Officer

September 17, 2020

Mr. Brendon Freeman
Executive Director
Napa County Local Agency Formation Commission (LAFCO)
1030 Seminary Street, Suite B
Napa, California 94559

RE: **DRAFT NAPA COUNTYWIDE WATER AND WASTEWATER MUNICIPAL SERVICE REVIEW**

Dear Brendon:

Thank you for your continuing efforts to engage with Napa County as LAFCO moves forward with the Draft Napa Countywide Water and Wastewater Municipal Service Review (MSR). On September 15, 2020, the Director of Planning, Building and Environmental Services and his staff provided an informational update on the MSR to the Board of Supervisors at their regular meeting. The presentation included an overview of Draft Final MSR, as the County received your agency's timely notice that the Draft Final MSR was available for review. At the conclusion of the presentation and discussion, the Board of Supervisors requested my office provide comments on the Draft Final MSR.

As you are aware, the Final Draft MSR contains a number of revisions/updates based on recent comments your agency received from local agencies and interested parties, including the County's August 3, 2020 letter. The County is appreciative of your responsiveness to our prior comments. We, however, continue to have concerns with some of the content and recommendations within the document. Napa County requests LAFCO address the following items and update the MSR accordingly:

- Remove the discussion of the request by City of St. Helena for a joint review process with the County regarding new vineyard development within their municipal watershed as this is not an appropriate topic within the purview of a Municipal Service Review.
- Remove the discussion of extending City of St. Helena services to the Meadowood Resort and the area south of St. Helena. These are significant new topics that are inappropriate to introduce into the Draft Final MSR near the end of what has been to date a two-year process. The County agrees with the conclusion that it is premature to consider these extensions. However, it would be more appropriate to strike the newly introduced discussion entirely.

September 17, 2020

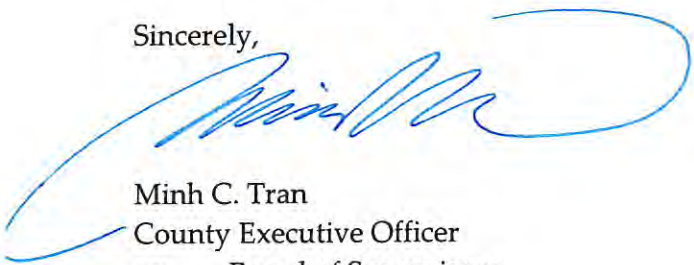
Page 2

Extension of new municipal services to unincorporated areas has the potential to undermine and/or circumvent voter sponsored Measures J and P to protect farmland and open space, as well as potential impacts under the California Environmental Quality Act (CEQA) and thus warrants thorough review before being included within the MSR.

- Provide adequate supporting documentation to demonstrate that a countywide water agency or district would be less expensive or more efficient than current service providers. Currently, the cities, town, and Napa Sanitation District receive a total of approximately \$120 million in sewer and water revenues. The budgets for the Marin Water District and Sonoma Water Agency are each at \$240 million. The report does not address the cost of consolidation, or the costs of servicing smaller water districts, and the extent to which these costs would be more than offset by future anticipated efficiencies. Moreover, the report does not identify any issues or problems with a specific existing water provider that a countywide agency or district is intended to remedy.
- Clarify how a countywide water agency or district could perform resource management, as there is no prior mention anywhere in the report of resource management issues, or issues with agencies currently responsible for managing natural resources. It is also unclear how resource management is included within the scope of a Municipal Service Review.
- Remove the reference to Calaveras County Water District (CCWD) as a comparable water agency or district. CCWD provides coordinated management over several small districts and does not operate as a single water and/or sewer provider with flood protection, storm water, and recycled water as recommended in the MSR. In addition, Calaveras County has only one incorporated city as compared to five cities/town that would be governed by a countywide agency in Napa County. The comparison between Calaveras and Napa Counties with regards to municipal service does not appear to be analogous.

The Board of Supervisors has not yet taken a formal position on the concept of a countywide water agency. There may be opportunities for more efficient and cost effective provision of water (and sewer) services that a countywide agency could achieve. However, without knowing the potential financial and land use governance implications from forming a countywide agency, it is premature for LAFCO to recommend that it be pursued further. We would appreciate the opportunity for LAFCO representatives and their consultant to provide more details at the Board of Supervisors' meeting on Tuesday September 22, 2020 at 1:35 PM.

Sincerely,



Minh C. Tran

County Executive Officer

cc: Board of Supervisors

David Morrison, Director of Planning, Building and Environmental Services

Steve Lederer, Director of Public Works

William D. Ross
David Schwarz
Kypros G. Hostetter

Law Offices of
William D. Ross
400 Lambert Avenue
Palo Alto, California 94306
Telephone: (650) 843-8080
Facsimile: (650) 843-8093

Los Angeles Office:
P.O. Box 25532
Los Angeles, CA 90025

File No: 199/6.20

September 22, 2020

VIA ELECTRONIC MAIL

The Honorable Kenneth Leary, Chairperson
and Members of the Local Agency Formation Commission
of Napa County
1030 Seminary Street, Suite B
Napa, CA 94559

Re: Revised; October 5, 2020 Regular Meeting; **Consideration and Approval
of Water and Wastewater Municipal Service Review**

Dear Chair Leary and Commission Members,

This office serves as the City Attorney for the City of American Canyon (“City”), which at a properly noticed Closed Session of its City Council on September 15, 2020, authorized this office and the City Manager, Jason B. Holley, to take all actions necessary before the Commission at the October 5, 2020 meeting, to *oppose* the consideration and possible adoption of the draft Countywide Water and Wastewater Municipal Service Review (the “MSR”).

The Local Agency Formation Commission (“LAFCO”) Executive Officer, Staff and Consultants maintain that the Water Service Area (“WSA”) of the City, is the City’s current boundaries rather than that established at the City’s incorporation in 1992.

Discussions on this issue have been ongoing between this Office, the City Manager and LAFCO representatives *since February 8, 2019*. At that time, the City was contacted by LAFCO Staff to obtain the incorporation documents for the City from 1992 for use by the MSR Consultants. No explanation was offered as to why the City incorporation documents were not present in LAFCO records. LAFCO Staff was supplied with not only the incorporation documents, but those documents associated with their environmental review under the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*, (“CEQA”)).

The Honorable Kenneth Leary, Chairperson
and Members of the Local Agency Formation Commission
September 22, 2020
Page 2

Notwithstanding the meetings between City Staff, LAFCO Staff and Consultants, there remain several unresolved factual and legal issues concerning the LAFCO Executive Officer's claim that the City WSA at the time of incorporation is not the City WSA, but rather is the existing City limits.

The City disagrees with the LAFCO Executive Officer's conclusion and the proposal to move forward despite these unresolved issues by a simple statement, that the issue remains unresolved. *See*, LAFCO Comment Log (attached as Exhibit "A"), page 1, line 5.

In the Commission's Workshop on July 13, 2020, it was precisely stated that the matter is a "detailed and complex problem" to be resolved with the LAFCO Executive Officer, Staff and Project Consultants.

Given the significant impacts of the possible adoption of this MSR by the Commission *without* City WSA resolution, the City demands that the matter *be continued* until the issues are fully resolved with the LAFCO Executive Officer, Legal Counsel and Consultants. Both the undersigned and Mr. Holley will be available for questions on October 5, 2020¹ before the Commission.

At the August 3, 2020 Commission meeting, the matter was considered under Agenda Item No. 7.c., where the Staff Report incorporated a reference to "MSR figure 3-14; Governance Structure Options," a copy of which is attached as Exhibit "B." Under the heading "Governance Structure Options," the following is set forth with respect to the City of American Canyon Governance Options:

- Clarification of LAFCO - approved service area;
- Inclusion of non-contiguous city-owned property in SOI or clarification of LAFCO policy; and,
- Participation in a county water agency.

Stated differently, how can LAFCO proceed to consider and adopt any of the draft MSR "Governance Options" *until* it is known what the baseline footprint is with respect to the City WSA?

The City fails to see how there is evidence, or an analysis, by the Executive Officer, LAFCO Staff, Legal Counsel or Consultants that establishes a Governance baseline so that

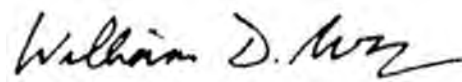
¹ The City representatives at the Commission July 13, 2020 Workshop are also referenced in Exhibit "B." *See*, the next to last page.

The Honorable Kenneth Leary, Chairperson
and Members of the Local Agency Formation Commission
September 22, 2020
Page 3

the critical issues associated with the City WSA, can serve as a basis for further recommendations to the Commission.

The City also maintains that the lack of *any* substantive analysis of the MSR under the CEQA, provides a second reason why the proposed action should be continued.

Very truly yours,



William D. Ross
City Attorney

WDR:as

cc: Brendon Freeman, Executive Officer
Local Agency Formation Commission

The Honorable Leon Garcia and Members of the City Council
Jason B. Holley, City Manager
City of American Canyon

Enclosures: Exhibit "A" (Comment Log)
~~Exhibit "B" (Staff Report)~~

Exhibit "B" available online at:

https://www.napa.lafco.ca.gov/uploads/documents/8-3-20_7c_CommentsDraftWaterWastewaterMSR.pdf

EXHIBIT "A"

Comment Log - Draft Countywide Water and Wastewater MSR
Page 1 of 14

#	Source	Page	Location	Detailed Comments	Response
1	CVWD, Emails 7/13 & 7/15/2020	176, 306		Dissolution would not advance efficient service provision or serve the best interest of landowners.	The District's perspective was added to the Governance Structure Option discussion on pages 306 and 176. The following was added: "CVWD contends that it plays an important role in the provision of water to its landowners and that dissolution would not advance efficient service provision nor serve the best interest of its constituents based on 1) its authority to manage water in its boundaries thereby providing a voice for district landowners in water management issues, 2) its efforts to act as a responsible steward of its resources and exercising appropriate oversight over billing and financial operations in the best interest of residents, and 3) its efforts in actively identifying capital outlays beyond city-planned improvements."
2	CVWD, Emails 7/13 & 7/15/2020	176, 306		District plays important role in the provision of water to its landowners. Its authority to manage water within its boundaries is unique and distinct from the City or County. It exercises that power in part by negotiating water service agreements, by reviewing proposed new connections to its system, and by providing a voice for District landowners in water management issues. The District Board is a conscientious and responsible steward of its resources, and it exercises appropriate oversight over billing and financial operations. The District offsets a portion of the rates charged by the City of Napa for its rate payers.	The District's perspective was added to the Governance Structure Option discussion on pages 306 and 176. See response to comment #1.
3	CVWD, Emails 7/13 & 7/15/2020	176, 306		It is important to understand that the District's land uses and voter makeup are also distinct from those of City residents, and the City's current governance structure provides no avenue for representation of these voters. The Board is empowered and authorized to negotiate on its landowners' behalf with the City as a wholesaler, and has done so for many years.	The District's perspective was added to the Governance Structure Option discussion on pages 306 and 176. See response to comment #1.
4	CVWD, Emails 7/13 & 7/15/2020	176, 306		Though the City bears responsibility for the operation, maintenance and replacement of the District's water delivery system, that system is not included within the City's Capital Improvement Plan. The District is actively engaged with consultants and engineers to identify additional capital outlays that would benefit its landowners, including upgrades to existing deliveries, improved efficiencies, and the implementation of water storage resiliencies.	The District's perspective was added to the Governance Structure Option discussion on pages 306 and 176. See response to comment #1.
5	CVWD, Emails 7/13 & 7/15/2020	179-181, 310-312		Section 56133.5 is intended to facilitate the efficient provision of services where a deficiency has been identified: it is not intended to eliminate existing small suppliers, and it should not be used to hasten the dissolution of the District in favor of replacing one service provider for another.	Comment acknowledged. In the case of CVWD and the City of Napa, greater potential for efficient services by eliminating duplicative overhead costs was identified. No changes made.
6	CVWD, Emails 7/13 & 7/15/2020	299, 310,312	Financial Planning, Recommendations, Determinations	CVWD has had no website but expects to have one in place by the fall of 2020.	Comment has been added to the text.
7	CVWD, Emails 7/13 & 7/15/2020	299, 303, 310, 311	Financial Planning, Infrastructure Needs, Recommendations, Determinations	CVWD is actively engaged with consultants and engineers to identify additional capital outlays.	Comment has been added to the text.
8	City of American Canyon, Correspondence 3/5, 5/14 & 8/3/2020	71, 91, 99	Service Area, Governance Structure Options	City of American Canyon contends that its water service area extends far beyond the city limits based on the former boundaries of American Canyon Water District that was merged into the City of American Canyon during incorporation.	Addressing this issue through LAFCO staff and legal counsel meetings with City Manager and Attorney. Sentence added to reflect ongoing discussions and intent to solidify consensus between LAFCO and the City.
9	Bruce & Carol Barge, Email 7/17/2020	151	Second paragraph	There are multiple concerns regarding the Napa Oaks II project, including majority of site would need water/sewer infrastructure and create runoff, the holding pond on Casswall could threaten neighborhood during breach/flood, high groundwater levels, the number of mature oak trees, the presence of an earthquake fault, limited ingress and egress for the property, proposal of a roundabout, and lack of proposal of affordable housing. The author has concerns of higher density uses proposed as part of the City of Napa's General Plan.	Content added identifying public concerns regarding the proposed development.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 2 of 14

#	Source	Page	Location	Detailed Comments	Response
10	Leon Brauning, Email 7/12/2020			I oppose any cooperative organization of municipal facilities that includes the city of American Canyon. American Canyon does not seem to have had adequate water, sewage disposal, schools, or traffic controls for its own town and citizens. But, they have kept building houses and growing businesses and industry for the past 25 years in the city as if they had an unlimited supply of facilities. Now they have approved the Watson Ranch housing development of approximately 1,200 new homes while the water supply and all other infrastructure seem tenuous. Because of these issues I can't perceive what facilities American Canyon has to offer to this new county organization.	Comment acknowledged. As one of the primary municipal water providers, it would be contrary to the purpose of forming a countywide entity for regional water resource management, if the City of American Canyon were excluded from the collaborative efforts. No change made
11	City of Calistoga, Email 6/29/20			Technical corrections.	Edits made per City's corrections.
12	City of Napa, Letter 6/26/2020	176, 308	Expansion of the City's SOI and Annexation of CVWD Territory	Given that an SOI amendment aligns with LAFCO's purpose to encourage logical boundaries and promote efficient delivery of services, further discussion and analysis of LAFCO policy and options associated with an SOI amendment is warranted in this section rather than concluding that an SOI amendment is not feasible.	Content added to clarify the lengthy process that would be involved in a SOI and RUL amendment, making this option not feasible in the short term. This option is, however, a potential in the long-term as described.
13	City of Napa, Letter 6/26/2020	178, 310	Dissolution and Continued Services by the City of Napa	This section should be modified to account for the possibility that Government Code 56133.5 expires on January 1, 2021 and identify options under Government Code 56133.	Content updated to account for existing circumstances. Should this code section expire, there does not appear to be a manner to make use of Government Code 56133 in its stead as no impending threat to the health and safety of the public exists and the area is not within the City's SOI.
14	City of Napa, Letter 6/26/2020	6, 45, 100, 140, 144, 183, 188, 226, 229, 266, 271,	Recommendation #2	The recommendation should be modified to recommend that the City comply with future County policy for approved uses and locations for trucked water in unincorporated areas.	Recommendation added throughout report that the County should establish a policy for approved uses and locations of transported water to manage the use of trucked water in unincorporated areas. In addition, cities should also adopt policies to ensure cohesive water planning and growth management.
15	NRRD, Letter 6/24/2020	398	Capital Assets, 2nd para.	Clarify that NRRD commissioned studies to evaluate flood control options and facilities.	Text has been added to the report. Also made corresponding edit to "Present and Planned Capacity" determination, second para., pg. 407.
16	NRRD, Letter 6/24/2020	400	Type and Extent of Services	Text should be added to clarify that NRRD does not own levees, which are the maintenance responsibility of private property owners.	Text has been added to the report. Also added reference to Governance Structure Options which could be considered that could provide enforcement of maintenance standards on private property which NRRD currently does not possess.
17	NRRD, Letter 6/24/2020	405	Governance Structure Options	Several years ago residents voted against the formation of a CSD. The MSR does not discuss the projected costs of reorganization.	Text added to note that residents previously voted against forming a CSD, according to NRRD. The MSR indicates that a CSD continues to be an option, among others, and that further action including evaluations of costs and benefits should be deferred until completion of current technical studies of facility alternatives. Formation of a CSD was not among the recommendations, unless necessary to continue wastewater services in the event the area became a zone of NCFWCWD for the purpose of providing reclamation services.
18	NRRD, Letter 6/24/2020	405	Governance Structure Options	The MSR suggests that NRRD could become a zone of NCFWCWD which does not provide wastewater services; the MSR does not indicate what entity would provide wastewater services, or what reclamation services the NCFWCWD would provide.	On page 406 the MSR states that in the event of a reorganization of flood control services with NCFWCWD, "NRRD's wastewater services could continue as is or could be reorganized into a CSD...". NCFWCWD would continue to provide advisory and technical services related to flood control as it is currently doing, as stated on pg. 405, and as it did prior to formation of NRRD when the area was a zone of NCFWCWD. The specific services and facilities would depend on the outcome of current studies regarding alternatives for facilities, services and funding to the community.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 3 of 14

#	Source	Page	Location	Detailed Comments	Response
19	NRRD, Letter 6/24/2020	405	Governance Structure Options	If an entity (NRRD, NCFWCWD, or otherwise) were to purchase property rights to the private levees and ultimately improve them, it is likely that such an action would result in increased assessments against the parcels. The Review does not address the anticipated amount of the increase in assessments.	Comment acknowledged. The costs of public purchase of property are not known at this time and would need to be determined before assessments could be calculated.
20	NRRD, Letter 6/24/2020	406	Recommendations, #2	The NRRD website is compliant with Government Code section 54954.2. Section 54954.2 does not require the NRRD to post budgets and financial reports on the website. These documents are available at the NRRD Board meetings, at the NRRD office, and upon request.	Government Code Section 54954.2 requires a direct link to the agenda on the agency's website; NRRD provides the link in a contextual menu, which is not allowed if it is the only link to the current agenda. While State statutes do not require posting of financial information on an agency's website, it is considered a "best practice" and improves open and transparent communication of critical information to residents and other stakeholders.
21	NRRD, Letter 6/24/2020	407	Status of, and Opportunities for, Shared Facilities	The MSR recommended that "NRRD and its residents should explore opportunities to work with the Napa County Resource Conservation District (NCRCD) to educate constituents with regard to activities to control settlement along their portion of the levee." At this time, the NCRCD does not have expertise regarding levee maintenance. However, this fact should not discourage the NRRD or residents from utilizing the NCRCD in other capacities.	Comment acknowledged.
22	Mary O'Brien, Email 7/13/2020			Berryessa Estates (LBRID) resident, water quality issues and rates too high.	Comment acknowledged. The MSR indicates on page 325 a significant increase in complaints related to water taste, odor and color, which the District investigated. In 2018 the State identified a number of actions required to protect water quality, which were addressed by the District as noted on page 326. The MSR notes in the LBRID Chapter under "Rates and Charges" pg. 319 and in the financial determinations pg. 333 that rates are high, and exceed standard indicators relative to average household incomes.
23	Patricia Damery, Email 6/28/2020			Formation of a county agency coordinating water security in Napa County is a critically important move as we face climate disruption and the real possibility of losing the water of the North Bay Aqueduct. I am in full support of coordinating the efforts of the forming Groundwater Sustainability Agency with the Drought Contingency Task Force, and troubleshooting in advance various emergency scenarios.	Comment acknowledged.
24	Patricia Damery, Email 6/28/2020	44-45		Several residents' wells have gone dry and they are now forced to truck water because they cannot afford to drill another well. Still, vineyards and wineries are being permitted by the Napa Board of Supervisors and Planning Commission. These are properties with multiple, low-performing wells, approved, despite the fact that hydrologists have warned that additional newly drilled wells are almost certainly affecting other established Redwood Road wells and Redwood Creek flow. When trucked water is not taken into consideration, a skewed perspective on water availability is perpetuated. Trucked water from Napa City is a source of revenue for the City, but in the event of severe drought and the possibility that the North Bay aqueduct does not deliver the water the municipalities in Napa County depend upon, the trucked water to these rural residences will also dry up.	Comment acknowledged. The concerns regarding trucked water are identified in the relevant city chapters and in the Overview Chapter on p. 44-45. It is recommended in the report that both the cities and the County ensure that the type of use and location of use of trucked water be clearly defined in policy.
25	Patricia Damery, Email 6/28/2020			Many of the residents whose wells run dry and are forced into hauling water are often long time, older residents. They have been impacted by the excessive drilling of new wells near them and they cannot afford to another deeper well.	Comment acknowledged. The Napa County Groundwater Sustainability Agency has been charged with managing groundwater within the County, and as such this issue is under the purview of the newly formed agency. Certainly, coordination with any new water agency will be essential in comprehensively ensuring sustainable water resources.
26	Town of Yountville, Letter 7/10/2020	264-265	Recommendations	The Yountville Town Council was unanimous in their support of the recommendations as presented in Chapter 8 of the study.	Comment acknowledged.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 4 of 14

#	Source	Page	Location	Detailed Comments	Response
27	Town of Yountville, Letter 7/10/2020	264	Countywide Water Agency	The Council is supportive of continuing the work and conversation related to the annexation of the Domaine Chandon parcel and the discussion to encourage and evaluate the potential creation and implementation of a countywide water district or other regional approach.	Comment acknowledged.
28	Town of Yountville, Letter 7/10/2020	54, 264	Next Steps	The Council is keenly interested in continuing the momentum of this study and expressed interest in appointing representatives to be part of a regional discussion.	Comment acknowledged. Content added in Next Steps discussed in Governance Structure Options suggesting discussions continue with representatives from each agency. Support of the recommendation by the Town added in Chapter 8 Governance Structure Options.
29	Roland Dumas, Ph.D Letter 6/17/20	5	Exec. Summary, Financial Ability to Provide Services	There is a need to plan for improbable yet inevitable surprises, and scenario planning to consider where failures can occur and eventually will; recommend the use of services of a qualified scenario planning consultant along with the traditional water-focused resources.	Comment acknowledged. Text has been added to the report to emphasize the importance of considering governance options as one way to mitigate the potential financial impacts of catastrophic events, for example, COVID-19, and other unforeseen circumstances.
30	Francis Freibert, Email 7/13/2020	319, 333		Lake Berryessa Estates (LBRID) water/sewer bill \$600/mo, County didn't help community with grant funding (all spent on fixing a neglected water system).	Comment acknowledged. The MSR notes in the LBRID Chapter under "Rates and Charges" pg. 319 and in the financial determinations pg. 333 that rates are high, and exceed standard indicators relative to average household incomes.
31	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	1, 13		The City uses non-potable water from a well in the small park to the north just before the Pope Street Bridge to irrigate Jacob-Meilly Park and other nearby areas, as correctly noted on page 205, second paragraph, under Stonebridge Wells.	Comment acknowledged. The descriptions on p. 1 and 13 provide a summary of service structure without all details. Details surrounding delivery are reported within each agencies specific chapter.
32	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	4	First paragraph under Recycled Water	The second sentence states: "The City of St. Helena is considering implementing a recycled water program." As noted in the third sentence of the third paragraph under the same heading, the City must complete substantial improvements at its wastewater facility to "make recycled water services feasible." It seem that any meaningful consideration of "implementation" is significantly premature at this time, and the second sentence should be stricken.	The City's plans for recycled water provision are important and relevant to the report, although they may be long-term. The necessary improvements to the wastewater facility and plans to address those needs, it is timely that the City also consider upgrades that allow for recycled water. No change made.
33	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	187		Manner of Selection under Governing Body is not correct. The St. Helena mayor stands for election every two years. Also, under Governing Body all members are "Council members," including the mayor and vice-mayor.	Clarified.
34	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	187		Under Purpose (Municipal Services Provided): "solid waste (Upper Valley Disposal & Recycling)." St. Helena residents contract directly with Upper Valley to provide waste disposal; the City is not involved. Now, it may be that the intent is that Upper Valley also provides disposal services to the City itself (like any other customer). This could be clarified in further discussion with City staff.	Comment acknowledged.
35	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	190	First sentence	Clarify that the City provides only untreated raw water, not recycled water.	This section does not describe water services provided. No change made.
36	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	194-196	Balanced Budget, Reserves, Rates	second paragraph. Insert "projects" after capital. More importantly, the statement about the adequacy of recently adopted rate increases on the wastewater side seems inconsistent with the statement on page 219, addressing the financing of the planned wastewater upgrades (as required under a RWQCB Cease & Desist Order): "The next step is determining a funding plan consisting of some combination of a general fund loan, bonds, and a USDA rural fund loan etc." It would appear, in short, that the current wastewater rates are not sufficient to fund regulatory required upgrades at the wastewater plant. The same would also appear to be true with respect to Water Enterprise capital projects; see discussion under point 11, addressing the obsolete Meadowood tanks.	The recommended edit to "capital projects" was made. The discussion of rate adequacy on pg. 194 was edited to note that "...the City has indicated that non-utility funding sources such as General Fund loans may be part of a funding plan for major utility improvements, for example wastewater plant upgrades" to acknowledge the information provided on pg. 219. Other financial sections of the St. Helena chapter have been edited to include analysis from July 30, 2020 indicating the inadequacy of current rates to fund the recently updated infrastructure cost needs.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 5 of 14

#	Source	Page	Location	Detailed Comments	Response
37	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	195	First sentence	The sentence appears to be stating that fund balances and reserves are sufficient to fund longer-term capital needs, but per page 219 (wastewater) and 211 (water) that does not appear to be correct.	See prior response.
38	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	204	Bell Canyon Reservoir, second paragraph	As explained in a prior email to LAFCO, the City's storage diversion and storage right is 1800AF under Division of Water Rights Permit 9157 (1952). Division of Water Rights Permit 14810 (1973) would have increased the City's diversion and storage right by an additional 2000AF, bringing the total to 3800AF. However, the Bell Canyon Dam was never raised as contemplated in Permit 14810, so that the diversion and storage right remains at 1800AF. See page 209, correctly stating that Bell Canyon Reservoir has a storage [right] capacity of 1800 AF. (The estimated total capacity of the Reservoir is around 2350AF.)	Reference to right to divert and store 3,800 AF deleted for clarity.
39	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	205	Second paragraph	The 2020 annual cost is approximately \$1.5 million (\$2500 per AF). City Finance Staff can provide the precise annual cost figure.	Updated.
40	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	206	First paragraph, Lower Reservoir	The third sentence reads: "In 2019, 11 customers pumped water from the reservoir." Customers do not pump from Lower Reservoir (which is fenced in) but from a water station adjacent to RLS Middle School.	Clarified.
41	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	206	Emergency preparedness	After mention of the capped well on the city-owned Adams Street property, the text continues: "It is unknown what volume of water might be expected from the well as it is capped." The City in fact tested flow rate of the well in, I believe, 2011, with a written report. The well's productivity was not unknown, at least then. (My understanding is that the well was drilled shortly before the City's purchase in 2000 of the Adams Street property. The purpose was to support a high price for the property (at that time).)	The City has not provided any information related to the flow or volume of water that can be expected at the well. No changes made.
42	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	211	Storage Facilities	The statement is made that the City has yet to find a funding source to replace the three Meadowood storage tanks. To be clear, the Meadowood tanks are assets of the City's Water Enterprise, and are so listed as among the owned assets of the Enterprise in a formal listing on file with State Water Board (State Assigned Nos. T003, T004, T005). As they are capital assets of the Water Enterprise, their replacement cost is a responsibility of Water Enterprise ratepayers. The fact that the City is looking for funding sources not just shows that the replacement cost is not sufficient as estimated in the current rate base (if included at all) but also indicates that the Water Enterprise does not have the capital in the current rate base (after the recent increases) to address an immediate and major (around \$500,000 but check with City staff) capital improvement need.	Updated to reflect the City's CIP for FY 19-20 which shows identified funding sources for the Meadowood tanks.
43	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	214	First full paragraph	States that the Public Works Department "set aside funds to replace the obsolete redwood tanks that serve the Madrone Knoll area and the Meadowood resort." See point 11 immediately above. It seems clear that the City has not set aside funds for replacement of the three tanks because it is looking for a funding source to replace them.	Updated to reflect the City's CIP for FY 19-20 which shows identified funding sources for the Meadowood tanks.
44	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	225	Fourth paragraph under Relationship with Regional Goals and Policies, third sentence	St. Helena Municipal Code section 13.04.050 H. prohibits connections outside City limits except for fire safety. My understanding is that this is a long outstanding prohibition in the City's water ordinance (going back decades) so that the word "now" is also not appropriate.	Discussion and recommendations corrected to reflect the City's municipal code. 13.04.080 B.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 6 of 14

#	Source	Page	Location	Detailed Comments	Response
45	Alan Galbraith, St. Helena Mayor 2014-18 Letter 7/25/2020	212		The GP incorrectly states that the City has the right to divert and store 3800AF. The 3800 AF combines the storage "right" on State Water Board Permits 9157 (1800 AF and 14810 (2000 AF). However, the City never raised the Bell Canyon Dam in accordance with Permit 14810. Hence, the City never earned the 2000 AF storage right conferred in that permit. Our storage right is 1800AF. Now, actual storage capacity at Bell Canyon is about 2300 AF. Two points: (1) a storage right to my understanding is not issued in excess of the physical storage capacity of a reservoir; (2) a certain amount of capacity is reserved for fire protection (roughly 500 AF at Bell Canyon). The City's storage right is in consequence well under the reservoir's capacity.	Reference to right to divert and store 3,800 AF deleted for clarity.
46	City of St. Helena, Letters 7/14/20 and 7/20/2020	223	Recommendation #1	The City concurs with the recommendations to update water service planning documents and is currently working on an Integrated Utility Master Plan addressing Water, Wastewater and Stormwater needs for the City with a virtual City Council workshop being held on July 30, 2020 to discuss the draft documents.	Content added recognizing City's efforts to update planning documents on p. 223.
47	City of St. Helena, Letters 7/14/20 and 7/20/2020	223	Recommendation #2	The City concurs with the recommendations to further water supply studies assessing future use of existing sources and identifying potential new sources.	Comment acknowledged.
48	City of St. Helena, Letters 7/14/20 and 7/20/2020	193	Recommendation #3	Agree that Municipal Sewer District No. 1 should be eliminated. The adopted General Plan Policy LU1. 2 essentially covers no utilities beyond urban limit line therefore those within should be allowed to connect without annexation. The City will need to further evaluate and potentially consider LAFCO's recommendation to eliminate the St. Helena Municipal Sewer District No. 1.	Comment acknowledged.
49	City of St. Helena, Letters 7/14/20 and 7/20/2020	203	Overlapping Service Providers	The City concurs with the recommendations to evaluate existing duplicative water services provided by the City of St. Helena and the City of Napa in the Rutherford Road area, which is outside both cities. It is important to note that the City of St. Helena does not allow for new water services outside the City limits therefore new duplicative services are unlikely.	Content added to reflect that the City does not allow new water service connections outside of its city limits, thereby minimizing the chances of duplicative services occurring.
50	City of St. Helena, Letters 7/14/20 and 7/20/2020			Technical corrections.	Corrections made where appropriate.
51	City of St. Helena, Letters 7/14/20 and 7/20/2020	222, 225		The City believes the recommendation regarding unlimited non-potable water services is in error since the St. Helena Municipal Code 13.04.080 B. Nontreated (Raw) Water from Lower Reservoir specifically restricts usage to within the City and users are required to have a permit and/or contract agreement. However, there is room for improvement at the specific raw water station which is operated on the honor system. Improvements to the raw water station were identified in the 2017 adopted rate study as a future capital improvement project.	Discussion and recommendations corrected to reflect the City's municipal code. 13.04.080 B.
52	City of St. Helena, Letters 7/14/20 and 7/20/2020			The City concurs with Napa LAFCO's recommendation to consider including the noncontiguous city-owned properties in the City of St. Helena's SOI during its next update, or if LAFCO wishes to continue the practice of excluding these properties from the City's SOI, then it may consider clarifying its intent in its policies.	Comment acknowledged.
53	City of St. Helena, Letters 7/14/20 and 7/20/2020	54		LAFCO should include recommendations in the MSR study regarding the protection of all municipal watersheds throughout the County by creating water quality buffer zones in the Agricultural Watershed Districts and to establish regulations related to oak tree and oak woodland removal due to development and vineyard conversions.	Comment acknowledged. While review of watershed protection was outside the scope of this review, it could be considered as a responsibility of the proposed countywide water agency. Content added to p. 54 to reflect that watershed stewardship and protection could be included under the jurisdiction of the proposed countywide agency.
54	City of St. Helena, Letters 7/14/20 and 7/20/2020	194		LAFCO should include a recommendation in the MSR study that the County of Napa establishes a policy to consult with and require joint jurisdiction approval in conjunction with a County permit if a proposed project, such as a vineyard conversion, is within another jurisdictions municipal watershed.	Comment acknowledged. A benefit of a countywide water agency could be improved coordination between agencies on these kinds of regional water/watershed policy issues. City concerns added to Growth and Population Projections in city chapter on p. 194.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 7 of 14

#	Source	Page	Location	Detailed Comments	Response
55	City of St. Helena, Letters 7/14/20 and 7/20/2020	54		LAFCO should include a recommendation in the MSR study for the County of Napa and City of St. Helena to jointly engage in a Bell Canyon watershed study. Such a study could include the creation of a watershed runoff computer model which considers weather patterns, topography, land use, land cover, air quality, septic systems, water diversions and potential projects that threaten the City's municipal water supply.	Comment acknowledged. While review of watershed protection was outside the scope of this review, it could be considered as a responsibility of the proposed countywide water agency. Content added to p. 54 to reflect that watershed stewardship and protection could be included under the jurisdiction of the proposed countywide agency.
56	City of St. Helena, Letters 7/14/20 and 7/20/2020	231	Governance Structure Options	The City is currently in design and the start of environmental review of the planned upgrades to the wastewater treatment plant to tertiary level treatment. The completed project presents an opportunity to eliminate septic or other stand alone treatment systems both within the City and potentially other nearby unincorporated properties. Therefore, the City is recommending LAFCO's support now for any private unincorporated properties that may be interested in establishing a city sewer connection under the pilot provisions of Government Code 56133.5.	Additional information added in Governance Structure Options section in City chapter.
57	ICARE Letter 7/19/2020	5	Item 2	We recommend that any/all data information collected by agencies is not only readily available in a format that is easily interpretable, but completely public and are requesting written assurance that this will be the case.	Clarified that the recommendation includes public access to collected data.
58	ICARE Letter 7/19/2020	6	Item 6	We recommend that any/all reporting requirements are also readily available and accessible to the public, and also request written assurance that this will be the case.	Comment acknowledged. As a public entities, all cities and districts already must comply with information requests in accordance with State law. This item is specific to ensuring that each agency is meeting reporting requirements of the regulating agencies. No change made.
59	ICARE Letter 7/19/2020	17	Item 7	It should be noted that the trend for greater urgency in developing groundwater storage and banking is not without controversy.	Comment acknowledged.
60	ICARE Letter 7/19/2020	24		The statement that "there are currently no Napa County water bodies on the Environmental Protection Agency/EPA's 303(d) list of impaired waters" is incorrect. The Environmental Protection Agency/EPA must list according Clean Water Act/CWA all waterbody- ies such as rivers, lakes and streams on the 303(d) list for development of programs to address the pollutant that is causing the listing so as to reduce the pollution. Napa County has several waterbodies listed on the 303(d) list: James Creek, Kimball Creek, Napa River, Lake Berryessa, Suisun Creek, and Ledge wood Creek.	Correction made.
61	ICARE Letter 7/19/2020	33		While unincorporated areas of Napa County rely principally on groundwater resources and surface water collection and incorporated areas typically rely on local reservoirs and regional water providers, we recommend that all agencies using reservoirs behind dams for water supply are in regulatory compliance in their public trust duties to bypass for fish and wildlife pursuant to California Fish and Game Code Section 5937; if not, these dams remain vulnerable to litigation, whose expense should be anticipated and prepared in their respective plans and budgets. If municipalities became compliant with 5937, less water would be available for future development. The water is NOT all for agricultural pumpers and municipalities, as the streams must be healthy for fishing, swimming and recreation as dictated by the Public Trust Doctrine.	Comment acknowledged. Any identified issues regarding bypass for fish wildlife are addressed in each agency's respective chapter.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 8 of 14

#	Source	Page	Location	Detailed Comments	Response
62	ICARE Letter 7/19/2020	51		An additional challenge to reorganization are those dams deemed risky and therefore, unsafe, by California's Division of Safety of Dams, as any updating and/or failure would affect rates, such as Milliken Dam at risk of failure due to stress fractures at the face of the dam, whereby Napa City Public Works signed an engineering contract with the Division of Dams and Safety several years ago to reduce the surface elevation of stored water behind the dam to try to lessen the stress on the cement surface of the dam. It has been determined by Division of Dams and Safety engineers that Milliken Dam could fail given an 8 Richter scale earthquake. This dam is on the 'watch list' of the State due to it's degraded condition.	Seismic concerns of Milliken Dam are identified on page 164.
63	ICARE Letter 7/19/2020	126		The City of Calistoga's water system has grown from a small municipal reservoir in Feige Canyon in the first half of the century...". The year was 1918, and the first half of the former century.	Corrected to read "former century."
64	ICARE Letter 7/19/2020	127		Although Kimball Dam is categorized as a high-risk dam with high downstream hazards, a second, city owned and operated dam has not been included in this review: Feige Dam on Cyrus Creek is out of compliance with CFGC Section 5937 and remains vulnerable to litigation.	Added content re: Feige dam on p. 131.
65	ICARE Letter 7/19/2020	133		The statement that, "Similar to the water system, most of the wastewater customers are residential" needs clarification. A large volume of used geothermal water utilized by municipal spas flows into the City of Calistoga's Dunaweal Wastewater Treatment Plant. The method by which each spa's input has been calculated needs to be specified, i.e., whether one spa considered a single customer and single connection, whether customers/ connections calculated by the number of rooms, etc.	The reference in the document is to the absolute number of service connections, which are predominantly residential.
66	ICARE Letter 7/19/2020	134		The statement that "inputs to the sewer system are mainly domestic in origin and include residences, hotels, and geothermal spas" needs additional clarification as well since as restaurants, micro-breweries, and mineral water bottling companies that also discharge to the sanitary system are considered commercial in the review. Please clarify how commercial spas and hotels are considered residential.	Domestic wastewater is similar in this case to domestic water (drinking water), which includes most uses in a municipal wastewater system, not only residential. Clarified on p. 134.
67	ICARE Letter 7/19/2020	135		Correction: Following tertiary treatment, effluent from the Dunaweal WWTP is permitted to be discharged to the Napa River from Nov. 1 – June 15, and not Oct 1. – May 15. (Page 124 records the dates correctly.)	Corrected.
68	ICARE Letter 7/19/2020	137, 141		Correction: The dates of the Cease and Desist Orders (CDO) were 2010 and 2014, and were related to resolving effluent discharge requirements because of inadequate dilution to the Napa River and non-compliance with antimony, dichlorobromomethane, chlorobromomethane, and BOD limits.	Corrected.
69	ICARE Letter 7/19/2020	203		When regulations are implemented by the newly formed Groundwater Sustainable Agency, St. Helena will need to reduce their groundwater pumping and be sustainable for future generations.	Comment acknowledged. The degree of groundwater pumping will be determined by the Groundwater Sustainability Agency.
70	ICARE Letter 7/19/2020	205		We also requested the distance from a third well cited as being near the Napa River, but did not receive benefit of a reply.	The exact location of wells was not located as part of this report, as the location of water supply (while generally readily available) is considered a potential threat to public health.
71	ICARE Letter 7/19/2020	207		Of the City of St. Helena's 268 commercial water supply connections, please clarify how each inn, hotel, and other lodging facility are accounted for.	Connections are defined by a link to the City's system. In most cases, hotels and lodging facilities have a single connection to the municipal system.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 9 of 14

#	Source	Page	Location	Detailed Comments	Response
72	ICARE Letter 7/19/2020	213		We inquired with the City of St. Helena as to the specifics of contaminants impairing the Stonebridge Wells originating with the sewer collection system, but did not receive benefit of a response.	Drinking Water Source Assessments conducted by the California Department of Health Services identify <u>potential</u> hazards to public drinking water sources to promote preventative actions. As of the drafting of this report, there were no known instances of the sewer collection system contaminating the Stonebridge wells.
73	ICARE Letter 7/19/2020	216		We requested the communications from the State of California that support a Meadowood resort connection to the City's wastewater treatment system, but did not receive the benefit of a response. Because the Napa River continues to be impaired due to pathogens since 2006, it is the opinion of ICARE that the City of St. Helena should initiate a ban on new sewer connections to their wastewater treatment system. The ban should include Meadowood resort, until the wastewater treatment plant and other wastewater infrastructure upgrades and improvements are completed and approved by the SFBRWQCB. The City must demonstrate that their wastewater treatment systems are adequate so the public can be assured that future violations will not occur.	Comment acknowledged.
74	Dan Mufson, Ph.D., Representing Napa Vision 2050, Letter 7/13/2020	48		Supports countywide agency option, there are other recent/ongoing major gov studies on water (groundwater sustainability plan, drought contingency plan), problems must be collectively solved through consolidated (as opposed to fractured) system. Recommend that the Ground Water Sustainability Agency and the Drought Contingency Task Force come up with a format so that their work product will be a plan for all of Napa's water users to share the diminishing supply that belongs to the commons and will meet the human right to water.	A countywide water agency is proposed to be responsible for comprehensive accounting of water supply and demand in the county, and could act as a single source of information or clearing house to better leverage available resources. The lack of an existing provider of this service added to the discussion of challenges leading to the recommendation of a countywide water agency on p. 48.
75	Eve Kahn, Alternate Public Member LAFCO, Email 7/18/2020	54		Recommend exploring combining the private water systems with a larger water agency/authority.	Content added to p. 54 with regard to the potential inclusion of interested mutual water companies in the new county agency.
76	Eve Kahn, Alternate Public Member LAFCO, Email 7/18/2020	44		Want to reinforce the comments made on page 44 regarding the need for County of Napa trucked water policies (referenced below.) Sadly, the County approves development on parcels with constrained water availability and often supports the use of trucked water as an option for business sustainability.	Recommendation added throughout report that the County should establish a policy for approved uses and locations of transported water to manage the use of trucked water in unincorporated areas. In addition, cities should also adopt policies to ensure cohesive water planning and growth management.
77	Eve Kahn, Alternate Public Member LAFCO, Email 7/18/2020			The County's Conservation Regulations clearly state that the priority use for groundwater is agriculture and rural residential. In essence, cities are to use surface water, unincorporated users are to rely upon groundwater. But when potable water is used to sustain agricultural operations (vineyards or winery operations) in non-emergency situations, the lines are blurred between rural and urban uses. When looked at from a broader perspective questions like "Should the cities have access to groundwater in a severe emergency?" can be addressed.	Comment acknowledged. Policy issues such as these may be best addressed during the formation and implementation of the proposed countywide water agency to ensure consistency throughout the County and consensus among the purveyors.
78	County of Napa, Letter 8/3/2020			County Staff continue to support LAFCO's recommendation to explore establishment of a centralized water agency, and again would like to emphasize that Napa County decision makers and staff need to be an integral part of the governance structure. All unincorporated Community Service Districts (CSD's) and Community Service Areas (CSA's) should also be included in the agency's management responsibilities.	Comment acknowledged. While the authors agree that the most beneficial structure would be inclusive of all water and wastewater providers, the nature and extent of inclusion, which may vary by type of agency and depend on services provided by the countywide agency, would need to be determined by consensus the agencies as recommended in the MSR.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 10 of 14

#	Source	Page	Location	Detailed Comments	Response
79	County of Napa, Letter 8/3/2020	51		The recommendations for centralized water agency should include direction discouraging annexation of unincorporated areas that currently receive municipal water or sewer service, to protect existing farmland and open space. Establishment of a centralized water agency would suggest that efficient services can be provided by the agency without need for cities to expand.	Efficiency of services greatly depends on existing and available infrastructure to provide services. In the areas surrounding the cities, often times the City is best poised to provide these services because the infrastructure is in place and capacity exists. Laws affecting annexation through LAFCO would continue to be in effect for the cities. In the case of a countywide agency, the location of services to be provided would need to be clearly defined in order to control extension of municipal systems into the unincorporated areas. Text regarding the need for a countywide agency to clarify a potential service-specific SOI, and an example of this type of SOI to avoid undesirable service extensions, has been added on p. 51.
80	County of Napa, Letter 8/3/2020	45		The DMSR recommends the County and cities/town establish a policy regarding trucked water. Napa County staff are open to exploring this topic further. However, we request that LAFCO acknowledge that the County currently regulates trucked water through our discretionary and ministerial permitting processes. The vast majority of existing trucked water sold by municipalities is entirely outside of the County's control, and even outside the cities' control for water purchased from outside the county, through a broker, or other third party.	Content added to clarify County existing control measures on p. 45.
81	County of Napa, Letter 8/3/2020	55		We appreciate that the DMSR was updated to include discussion on the potential disadvantages, and challenges that would be need to be overcome, to create a centralized water agency. We also appreciate that the County was included in the recommendations regarding coordinating efforts on efficient service of water to unincorporated areas. We encourage LAFCO to emphasize that all planning activities for efficient water and sewer service within unincorporated areas only occur in coordination with the County.	Added content on p. 55 to clarify that discussions regarding the centralized water agency should include the 14 agencies reviewed, the County, the Groundwater Sustainability Agency, and interested private companies.
82	County of Napa, Letter 8/3/2020	43	Overview - Recommendations - Growth Policies	Thank you for expanding on the historical context of out-of-agency water and sewer development within unincorporated areas. The County again would like to emphasize that virtually all of the water and sewer lines that presently exist outside of city limits occurred prior to the establishment of LAFCO and smart growth policies. These are pre-existing conditions, and we urge LAFCO to discourage actions that would lead to annexation of these preexisting municipality-served unincorporated lands.	Comment acknowledged. All out of area extensions of service and all annexations must now meet legal requirements governing LAFCO review/approval, such as annexation consistency with the agency's SOI and tax sharing agreement with the County, which puts in place checks to ensure annexations are conducted in a logical and orderly fashion and ensure the County is part of the process. Additionally, the preexisting out-of-area connections are well documented as part of this MSR, which will enable informed policy decisions.
83	County of Napa, Letter 8/3/2020			Thank you for augmenting the DMSR regarding Assembly Bill 402 (DodD) from 2016 regarding the pilot program for municipal services to unincorporated areas, and for including additional information on the Groundwater Sustainability Agency (GSA).	Comment acknowledged.
84	County of Napa, Letter 8/3/2020	331-332, 373-374	Governance Structure Options, Recommendations, #5	The County is concerned about converting the Resort Improvement Districts to CSAs and adversely affecting the ability to compel connections to the system. The County states that it has thoroughly investigated organization options in the past, but they are open to "re-looking at the situation."	The prior 2011 MSR evaluated reorganization of the resort districts into CSDs, but did not consider the feasibility of conversion to CSAs, which are recommended in the current MSR. The MSR recommends further research to assure that the districts' ability to compel connections to the system is not adversely affected.
85	County of Napa, Letter 8/3/2020	406	Recommendations, #3	Napa County staff support the recommendation to defer any governance reorganization actions on the Napa River Reclamation District (NRRD).	Comment acknowledged.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 11 of 14

#	Source	Page	Location	Detailed Comments	Response
86	County of Napa, Letter 8/3/2020			County staff remain concerned that annexation of the Domaine Chandon property to the Town of Yountville is still included as a recommended action, but appreciate that the recommendation was modified to reflect that coordination with the County is necessary. The DMSR provides an incomplete description of the background events leading to the current situation at Domaine Chandon. Yountville allowed the development to proceed in the early 1990's without annexation despite having an annexation agreement with the property owner. The DMSR should evaluate why this occurred before a recommendation can be formed. Also, the recently adopted Sphere of Influence (SOI) boundary does not follow existing property lines, does not account for existing buildings, and bisects the existing land use entitlement (i.e. - winery use permit), all of which represent issues that need to be addressed to enable annexation. It is quite possible that the SOI boundary will need to change before annexation can occur. As such, the DMSR recommendation should be deleted or changed to suggest annexation not occur unless and until new development has been proposed.	Content added regarding County's concerns.
87	Bill Moseley, Letter 8/31/20			Technical corrections.	Corrections made where appropriate.
88	Diane Dillon, Vice Chair LAFCO Workshop 7/13/2020			Asked if past analysis of RID governance options were reviewed and incorporated into the report.	The consultant reviewed prior materials provided by LAFCO, including the 2011 MSR described in the current MSR in the RID governance options section, which addressed reorganization of the RIDs into CSDs; the option of reorganizing as a CSA was not considered. County staff indicated that, despite past exhaustive analysis of reorganization options, they were open to re-looking at the situation (County's comments Aug. 3, 2020).
89	Brad Wagenknecht, Commissioner LAFCO Workshop 7/13/2020	15	Water and Wastewater Service Providers	Suggested the small water companies who may have no protection be included in the MSR and any regional option under consideration.	Additional content added to discussion of non-public water systems in Napa County. Content added to p. 54 with regard to the potential inclusion of interested mutual water companies in the new county agency.
90	Kenneth Leary, Chair LAFCO Workshop 7/13/2020	15	Water and Wastewater Service Providers	Concerned regarding the lack of oversight/regulation of the mutual water companies. Perhaps this could be looked at further in the future.	Comment acknowledged. Content added to p. 54 with regard to the potential inclusion of interested mutual water companies in the new county agency.
91	Diane Dillon, Vice Chair LAFCO Workshop 7/13/2020	15	Water and Wastewater Service Providers	Requested the MSR be revised to add a map showing all mutual water companies in Napa County and a 4-column chart with each one's (1) service area/acres, (2) population, (3) number of connections, and (4) water source (wells vs surface water). And include in discussion regarding the countywide solution.	Additional content added to discussion of non-public water systems in Napa County. Content added to p. 54 with regard to the potential inclusion of interested mutual water companies in the new county agency.
92	Margie Mohler, Commissioner, LAFCO Workshop 7/13/2020	15	Water and Wastewater Service Providers	Requested additional available information be included regarding the private providers, but not to the detriment of adoption in October. Do not want to go too far in the weeds though.	Content added to discussion of non public water systems in Napa County.
93	Eve Kahn, Alternate Public Commissioner, LAFCO Workshop 7/13/2020			Asked about policies regarding trucked water throughout the County, and would such a policy be relevant to a countywide agency.	Yes, a countywide agency could and should have policies regarding location and uses of trucked water sourced from its water sources. However, details and specifics of this level will need to be determined by the agencies involved in the formation of the proposed entity.
94	Diane Dillon, Vice Chair LAFCO Workshop 7/13/2020			Would a countywide agency be able to enforce use of trucked water within territory of private mutual water companies?	The countywide agency would only be able to set policy regarding use of its own water and/or member agency water. Because the countywide water agency would not be a land use authority. The County would retain that responsibility in unincorporate areas.
95	Scott Sedgley, Alternate Commissioner LAFCO Workshop 7/13/2020			Commended the Consultants on seeking out the sensitive spots in the County that need to be addressed and not just consolidations or sphere amendments. Need to start thinking long term regarding these services.	Comment acknowledged.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 12 of 14

#	Source	Page	Location	Detailed Comments	Response
96	Margie Mohler, Commissioner, LAFCO Workshop 7/13/2020			Thanked all attendees and their thoughtful comments and noted we have many challenges ahead of us along with a comprehensive plan and wants to keep this conversation going.	Comment acknowledged.
97	Kenneth Leary, Chair LAFCO Workshop 7/13/2020			Commended the Consultants on the quality of this important study, and thanked the Commissioners and staff for their participation and implementation of this report.	Comment acknowledged.
98	Brad Wagenknecht, Commissioner LAFCO Workshop 7/13/2020			Talked about water systems and natural breaks where water is, and asked how to maintain orderly growth and succession and enforcing that in a countywide system.	The County would continue to be responsible for land use decisions, similar to in Calaveras County, which has a countywide water district (referenced in the overview portion of draft report) and several small water and wastewater systems. The District has 3 service specific SOIs to differentiate water resource management and water and wastewater operational services and limit extension of those services. Clarified on p. 51.
99	Brad Wagenknecht, Commissioner LAFCO Workshop 7/13/2020			Asked if CA Code 56133 would remain in effect for countywide water agency.	Limitations on extension of services considered growth inducing will be essential when considering the structure of the new agency. The necessity and ability of relying on 56133 to control service areas would be diminished for a countywide agency except in the case of City's that maintain their own systems; however, an option is to establish multiple service specific SOIs for one agency to define service areas. This is practiced by Calaveras County Water District. Content added on p. 51
100	Margie Mohler, Commissioner, LAFCO Workshop 7/13/2020			Talked about Yountville's water being owned by the State. Would this pose any issues to a countywide agency and would the State have to agree to join the JPA?	Structure of the JPA or countywide water agency would depend on membership; however, in the case of the example county agencies given in the report the State is not a member agency. However, in the case of a JPA (not newly formed water district), the State could be invited to participate depending on the preferences of the other interested parties.
101	Geoff Ellsworth, Mayor of St. Helena, LAFCO Workshop 7/13/2020			Important to cross-reference MSR work with County GSA/GSPAC and Napa County DCP, recognize the hydrogeological interconnectedness of surface water and groundwater. Cross pollination of these information sources will be useful to get a complete picture. Thank you very much for your efforts.	Comment acknowledged.
102	Jay Gardner, President of Meyers Water Company, LAFCO Workshop 7/13/2020			President of Meyers Water Company, serves 100 homes with unmetered water connections in Ederly Island, regulated by CPUC and Napa County Environmental Health, significant problems with system, major challenges to financing improvements, must wait for things to fail to get loan from CPUC, small water providers must adhere to same standards as large providers and it is unsustainable.	Content added to discussion of non public water systems in Napa County.
103	Bill Ross, Attorney for City of American Canyon, LAFCO Workshop 7/13/2020	71, 91, 99	Service Area, Governance Structure Options	Issue of the clarification of LAFCO-approved water service area for the City of American Canyon, which goes back to actions taken at the time of incorporation of the City, and the treatment of the former American Canyon County Water District. That clarification is essential to the desired goals and options presented for governance in the County as a whole with respect to water.	Addressing this issue through LAFCO staff and legal counsel meetings with City Manager and Attorney. Sentence added to reflect ongoing discussions and intent to solidify consensus between LAFCO and the City.
104	Dan Mufson, Ph.D., Representing Napa Vision 2050, LAFCO Workshop 7/13/2020	48		Thank you for a very comprehensive report. Propose that as we consider a countywide agency that we consider a comprehensive accounting and budgeting of water uses and resources.	A countywide water agency is proposed to be responsible for comprehensive accounting of water supply and demand in the county, and could act as a single source of information or clearing house to better leverage available resources. The lack of an existing provider of this service added to the discussion of challenges leading to the recommendation of a countywide water agency on p. 48.
105	Ron Rhyno, Resident of City of Napa LAFCO Workshop 7/13/2020			Limits to growth and what is not examined such as how water requirements for wineries and vineyards are not revealed, County should monitor water used for wine/ag and focus on water sustainability for future generations .	Comment acknowledged. A benefit of a countywide water agency could be improved coordination between agencies on these kinds of countywide water use monitoring and budgeting and potentially including water uses outside of domestic systems.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 13 of 14

#	Source	Page	Location	Detailed Comments	Response
106	Margie Mohler, Commissioner, LAFCO Workshop 7/13/2020			Have a lot of challenges ahead of us. Need a comprehensive plan to keep conversation going. Thank you for input from the community.	Comment acknowledged.
107	Eve Kahn, Alternate Public Commissioner, LAFCO Workshop 7/13/2020			Stated she is thankful the Commission is able to see the bigger picture. Concerned in particular with trucked water and its impacts on growth and available resources.	Comment acknowledged.
108	Gregory Rodeno, Commissioner LAFCO Workshop 7/13/2020			Believes we should conceive this a unified organization, however long it takes, and with a concept of unity, of purpose and function and bring community interest to water issues with a county-wide plan and a countywide agency to implement that plan.	Comment acknowledged.
109	Kenneth Leary, Chair LAFCO Workshop 7/13/2020			Leary thanked the Consultants, staff and attendees today, and said he senses the passion and real concern about the water and about the County, and believes it is LAFCO's responsibility to collect and gather information of how the services are going to the residents and present the information in a clear and unbiased format, which he believes we did with the workshop presentation. Said where we go from here will depend not only on the elected officials, but on the people who live in the County.	Comment acknowledged.
110	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020			Appreciates what LAFCO, the Consultant and Stakeholders have done to prepare a great baseline document.	Comment acknowledged.
111	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020	55		Recommends having a conclusion in the report that there has been unanimous support from comments received for some kind of countywide agency.	Content added to Governance Structure options on p. 55 stating "Comments received over the course of this review have unanimously indicated support of moving forward with these efforts to form a countywide solution."
112	Diane Dillon, Vice Chair Napa LAFCO Regular Meeting 8/3/2020	339, 381		A discussion was held with the Consultant about Resort Improvement Districts (RID's) and prior 2011 MSR report analysis of reorganization as CSDs. Commissioner Dillon requested the Consultant further research this and any findings be incorporated into this MSR.	See response to comment from Diane Dillon, Vice Chair Napa LAFCO Workshop 7/13/2020. Clarification incorporated into report that previous analysis was regarding <u>community service districts</u> , and this report is proposing a <u>county service area</u> structure.
113	Diane Dillon, Vice Chair Napa LAFCO Regular Meeting 8/3/2020			Have concerns how a countywide agency would impact rates in struggling communities, such as LB and NB, where the County has gone to great lengths to ensure rates are kept at a minimum.	As noted in the MSR (e.g., see Chp. 3 Overview, Governance Structure Options, Challenges to Reorganization, pg. 51), a primary concern of the agencies reviewed in this MSR was how reorganization as a countywide agency may affect rates in each community; the first step in forming the agency is to achieve consensus of the affected agencies on this issue and several others described in the MSR. The MSR recommends that reorganization of RIDs assess financial issues, eg, the ability of the County to obtain low/no interest loans based on RID status as a disadvantaged community. As a CSA, the County supervisors would continue to serve as the board and County staff would continue to pursue options to improve the systems while minimizing rates.
114	Diane Dillon, Vice Chair Napa LAFCO Regular Meeting 8/3/2020	339, 381		Asked about process of forming a CSA.	Dissolution of an RID would be contingent on the LAFCO reorganization process, outcome of protest proceedings and resident election. A description of the process for transition was added on p. 339 and 381.
115	Kenneth Leary, Chair LAFCO Regular Meeting 8/3/2020			Agreed with Commissioner Dillon about having concise and accurate information in one place, and back stories on certain issues should be part of the discussion in the report.	Comment acknowledged. Additional background provided by agencies has been included in the corresponding sections (eg, see NRRD, Letter 6/24/2020). In other cases, eg, RIDs, County staff indicated that RID-related issues and prior feasibility analysis would be re-looked at as MSR recommendations are considered.
116	Eve Kahn, Alternate Commissioner, LAFCO Regular Meeting 8/3/2020	15	Water and Wastewater Service Providers	Agrees with Commissioner Dillon on some private water districts. Specifically, she was recently moved by Jay Gardner, from the Milton Road private water district. They are not a municipal service, so they were not included in the report, and wondered if there is any way to bring an organization like that into the	Additional content has been added to discussion of non-public water systems in Napa County.
117	Eve Kahn, Alternate Commissioner, LAFCO Regular Meeting 8/3/2020	48		Suggested Trucked Water Policy be brought into the discussion in regard to having a countywide agency.	Added content on p. 48 regarding a need for cohesive and comprehensive policies affecting both growth and water supply (i.e., trucked water policies), as an impetus for the countywide water agency.

Comment Log - Draft Countywide Water and Wastewater MSR
Page 14 of 14

#	Source	Page	Location	Detailed Comments	Response
118	Diane Dillon, Vice Chair Napa LAFCO Regular Meeting 8/3/2020			Expressed concern about repetition in the report and asked that repetition be minimized.	The consultants acknowledge that the report is inherently repetitive due to the nature of the requirements in the MSR and the intent of creating a report that can be broken down by chapter for each agency as a stand alone section. The format and outline of the report is based on substantial prior experience with MSRs meeting the needs of LAFCOs, stakeholders, reviewed agencies, and the public.
119	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020			Repetitiveness is sometimes necessary due to different audiences. For example, an agency will often read introduction and then agency specific chapter. So there is value to some repetitiveness, due to different audiences and purposes. Reorganizing at this point does not seem feasible. Perhaps moving forward can all agree on table of contents.	Comment acknowledged.
120	Diane Dillon, Vice Chair Napa LAFCO Regular Meeting 8/3/2020			Why were sanitary surveys not included in all agency chapters, such as Yountville.	In the case of Yountville, the State of California controls the water source and provided limited information in response to repeated LAFCO and consultant requests.
121	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020	6, 45, 100, 140, 144, 183, 188, 226, 229, 266, 271,		Supports the letter from City of Napa's Phil Brun about trucked water policies.	Recommendation added throughout report that the County should establish a policy for approved uses and locations of transported water to manage the use of trucked water in unincorporated areas. In addition, cities should also adopt policies to ensure cohesive water planning and growth management.
122	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020			Regarding the Napa Vision comment letter, it is a great stand alone document that could be included with the report.	Comment letters and comment log will be posted separately on Napa LAFCO's website for reference.
123	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020			Believe Barge letter, while it makes good points, but is outside the scope of the report.	Comment acknowledged.
124	Ryan Gregory, Alternate Commissioner, LAFCO Regular Meeting 8/3/2020			Perhaps some of the smaller governance structure options could be considered. Need to ensure that there are cost savings and efficiencies with any options considered.	Comment acknowledged. Further detailed analysis would be required before entering into a contract for services from a larger agency. Potentially this type of contract could reduce administrative costs and provide additional expertise to smaller agencies. For example, the MSR on pg. 352 identifies potential administrative cost savings that could result from a reorganization of LCWD with NapaSan. The reorganization of NBRID and LBRID as CSAs would primarily result in placing these districts under current, modern Government Code CSA law rather than outdated Resort Improvement District law.
125	Jason Holley, City Manager, City of American Canyon LAFCO Regular Meeting 8/3/2020	71, 91, 99	Service Area, Governance Structure Options	Complimented the work product, staff and the Consultant team for a process that has been under way for a year or more. Letter from City which addresses the confirmation of the service boundaries for American Canyon water service boundary. The City is working with LAFCO Counsel and LAFCO staff and expect the Final MSR will reflect the accurate historical boundaries that exist.	Addressing this issue through LAFCO staff and legal counsel meetings with City Manager and Attorney. Sentence added to reflect ongoing discussions and intent to solidify consensus between LAFCO and the City.
126	Kenneth Leary, Chair LAFCO Regular Meeting 8/3/2020			Thanked everyone for their comments. He also discussed how the comments pertaining to the report are included, and then recommended two Commissioners work together (Ad Hoc) with staff on what the final report will look like and how the recommendations and determinations will show up.	Per the Commission's directions, an Ad Hoc committee was established and met to discuss critical comments received and appropriate changes to the report and responses in the comment log.
127	Margie Mohler, Commissioner, LAFCO Regular Meeting 8/3/2020			Suggested staff and consultant put together comments of significance for the Ad Hoc Committee in order to have a focused discussion.	Per the Commission's directions, an Ad Hoc committee was established and met to discuss critical comments received and appropriate changes to the report and response in the comment log.
128	Brad Wagenknecht, Commissioner LAFCO Regular Meeting 7/13/2020			Supported the idea of a two-person committee to review comments.	Per the Commission's directions, an Ad Hoc committee was established and met to discuss critical comments received and appropriate changes to the report and response in the comment log.
129	Diane Dillon, Vice Chair Comment Letter 9/4/2020			Technical corrections.	Corrections made where appropriate.

EXHIBIT "B"

Exhibit "B" not included due to file size. Exhibit "B" is the LAFCO staff report from August 3, 2020 and is available online at:

https://www.napa.lafco.ca.gov/uploads/documents/8-3-20_7c_CommentsDraftWaterWastewaterMSR.pdf

September 23, 2020

Comments on Chapter 7 (City of St. Helena) in
Napa County Water & Wastewater MSR Redlined Draft Final

1. Page 195: second paragraph under Sphere of Influence. The two non-contiguous parcels owned by the City near Bell Canyon are not within the City's boundaries. They are in the County.
2. Page 197: first paragraph under Accountability and Governance. The mayor is elected to a two-year term, not a four-year term, as correctly stated in the City of St. Helena Profile on page 194.
3. Page 200: Figure 7.3, ninth line: change "wastewater" to "water" so that the line reads: "Monthly Water Rates as a % of Household Income."
4. Page 201: Figure 7.3, ninth line: change "water" to "wastewater" so that the line reads: "Monthly Wastewater Rates as a % of Household Income."
5. Pages 212-13: In settlement of a lawsuit brought in 2016 by Water Audit California, the City did *not* agree to divert more water from Bell Canyon reservoir to the creek. (Note: the City's bypass obligation is specified in DWR Permit 9157 (1953) as amended in 1989.) The City did agree to a further study to ensure that it was properly meeting its State by-pass requirement. Open channel flow measurement can present complexities, especially at Bell Canyon in measuring inflows into the reservoir.
6. Page 213: third and fourth paragraphs are inconsistent. The third paragraph states the "City routinely monitors the elevation of the aquifer in the area of the city wells." The fourth paragraph begins: "The City has not tracked groundwater levels in recent years." Regrettably, this appears to be the case. The first sentence in the third paragraph should be deleted.
7. Page 214: First paragraph under Emergency Preparedness, last sentence. The City tested the capped well on the City-owned Adams Street property for flow in about 2011. Hence, the City should know the volume of water that might be expected.
8. Page 216: second paragraph under Demand/Supply Analysis. The statement that "experience has shown that the City has inadequate water to supply customer demand with imposition of water emergency restrictions in recent years" is not correct. In "recent years" (since 2014) prior to the current water year the City in fact supplied water without the imposition of water emergency restrictions.

9. Page 217: last paragraph before Water Infrastructure and Facilities heading. The first sentence correctly states: "The City plans to assess the feasibility of production of reclaimed water as a potential water source." The statement found in note one on page 1 does not fit this description. Note one reads: "The City of St. Helena reclaims water for use on city-owned irrigation fields, which does not replace the use of potable water." The only City-owned field that receives treated water is the spray field in the County just south of the City's Water Treatment Plant. This is strictly an adjunct of the City's wastewater treatment operation. I don't think this is worth a mention; the only goal of the spray field is to get rid of the water. This is not a meaningful reclamation use (no irrigated crops are grown). The footnote is further confusing by its statement that potable water is not replaced. Potable water is not sprayed onto the spray field in the first place. That would be a waste. My suggestion is that note one on page one be removed.

10. Page 217: Bell Canyon under Water Infrastructure and Facilities. The storage capacity of Bell Canyon is about 2350AF. The 1800 AF referenced on page 217 is the City's storage right under DWR Permit 9157 (1953).

11. Page 219: first sentence under Lower Reservoir. The statement that water is "currently" diverted from York Creek and stored in Lower Reservoir is not correct. The City completed removal of the diversion dam on York Creek in 2008, which eliminated the diversion of Creek water into Lower Reservoir. This is documented in City of St. Helena, *Upper York Creek Dam & Ecosystem Restoration* (undated pamphlet (prepared in 2015 or 2016 and accessible under its title through a Google search)).

Respectfully submitted,

Alan Galbraith
Mayor, City of St. Helena (2014-18)
agalbraith94574@gmail.com

DEEANNE GILLICK.
TELEPHONE: (916) 258-8811
dgillick@sloansakai.com

MEMORANDUM

To: Brendon Freeman, Executive Officer
Local Agency Formation Commission of Napa County

From: DeeAnne Gillick
General Counsel

Date: September 30, 2020

Re: City of American Canyon “Water Service Area”

PURPOSE OF MEMORANDUM

The Commission is considering the Napa Countywide Water and Wastewater Municipal Services Review (MSR) at its October 5, 2020 Commission meeting. The City of American Canyon (City) has continuously asserted that the MSR does not accurately reflect or describe the area which is the City’s “water service area.” It is my opinion that the MSR correctly sets forth the current LAFCO approved areas in which the City may provide water and wastewater service outside its city limits consistent with the requirements of Cortese Knox Hertzberg and prior actions of the Commission.

The purpose of this Memorandum is to set forth the requirements of Cortese Knox Hertzberg Act (CKH) and the past actions of the Commission which support the representations within the MSR related to the City of American Canyon’s water service. This Memorandum addresses the potential confusion related to the historical and current reference to the City’s “water service area.”

MSR STATEMENTS

First, I will set forth the statements within the Redlined Draft Final MSR dated September 14, 2020, which describe and depict the City’s service area, particularly outside its city boundaries. The water services discussion begins on page 73 and states on page 74 as follows:

Service Area

The City’s water service area is approximately 30 square miles, as shown in Figure 4-5. It includes three distinct areas:⁹⁶

September 30, 2020

Page 2

- ❖ American Canyon city limits that consists of six square miles and includes residential, commercial, industrial, and agricultural users;
- ❖ The unincorporated commercial and industrial areas in and around the Napa County Airport located north of the City that cover about five square miles; and
- ❖ The unincorporated largely open space and agricultural areas to the west, east and north of the City boundaries, which include agricultural users and a small number (28 accounts or estimated 70 people in 2015)⁹⁷ of single-family residential customers who represent “legacy” accounts that were originally connected and served by the American Canyon County Water District, a predecessor to the City. These accounts represent about one percent of the City’s total single-family residential accounts.

A vast majority of the single-family water customers and all multi-family residential customers are located within the city limits. Most of the out-of-city accounts are commercial and industrial users in and around Napa County Airport.⁹⁸ The City serves an estimated 70 additional residents outside of its boundaries in its water service area.⁹⁹ The City’s water service area has been defined by LAFCO in a formal resolution whereby the City’s existing out-of-area services were approved and extension of services in the area defined as the Airport Industrial Area is permitted. Any extension of services outside of the Airport Industrial Area, but within the established water service area requires prior written authorization by LAFCO.¹⁰⁰

After the pages with the maps, the report goes on to state at page 76 as follows:

While the outside services are primarily a remnant of the former American Canyon County Water District, it is important to note that the LAFCO approved extraterritorial area approved in Resolution No. 07-27 is the only defined water service area for the City. As of the merger of the American Canyon County Water District with the City of American Canyon, the water district’s former boundaries are no longer relevant in reference to the City as its “service area,” meaning the City must seek LAFCO approval by application to serve areas outside of the city limits and the previously mentioned Airport Industrial Area per Government Code §56133. The City and LAFCO staff continue to engage in ongoing discussions with the intent to solidify consensus regarding the City’s defined service area boundaries and how it relates to potential future services outside the city limits.

Then on page 94 the discussion on the wastewater service states:

Service Area

The City’s wastewater service area extends northwards outside of its boundaries and was inherited by the City from the previous service provider—the American Canyon County Water District (ACCWD)—upon incorporation in 1992

September 30, 2020

Page 3

and merger with the water district. The JPA dissolution agreement from 1994 between Napa Sanitation District (NapaSan) and the City of American Canyon identifies the centerline of Fagan Creek as a general dividing line between NapaSan and the City's respective sewer service areas. According to the agreement, Napa County Airport and Chardonnay Golf Course are to be served by NapaSan. Additionally, on October 15, 2007, Napa LAFCO adopted a resolution 07-27 where it described the City's extra-territorial water and sewer service areas. On the map included in the resolution, Chardonnay Golf Course and Napa County Airport are erroneously shown in the City's service area. To correct this error, LAFCO met with the City and NapaSan to garner agreement regarding an accurate map for the adopted resolution and a new map was created by Napa LAFCO in 2019, which is included in this MSR as Figure 6-20. The map shows the correct adopted service areas for both NapaSan and the City of American Canyon with Napa County Airport and Chardonnay Golf Course included in the NapaSan service area.

According to Napa LAFCO Resolution 07-27, the City may not provide new or extended water and sewer services within its adopted service areas without LAFCO authorization. The Airport Industrial Zone, however, is exempt from this requirement. Similar to the City's water service area, the wastewater outside services are primarily a remnant of the former American Canyon County Water District; however, it is important to note that the LAFCO-approved outside service area is the only defined wastewater service area for the City. As of the merger of the American Canyon County Water District with the City, the District's former boundaries are no longer relevant in reference to the City as its approved service area, meaning the City must apply and gain approval from LAFCO in order to extend services outside of its city limits and the Airport Industrial Zone per Government Code § 56133. The City and LAFCO staff continue to engage in ongoing discussions with the intent to solidify consensus regarding the City's defined service area boundaries and how it relates to potential future services outside the city limits.

CKH AND PAST DECISIONS OF THE COMMISSION SUPPORT MSR

It is my understanding that the City's concern is the City's ability to provide water and wastewater service outside the City limits to areas that were within the American Canyon County Water District (Water District) prior to incorporation of the City. The Commission addressed this issue in 2007 and adopted LAFCO Resolution No. 07-27 (Attached as Exhibit A) which provides the current area in which the City may provide water and wastewater service consistent with CKH. The Commission deliberated on this issue substantially in 2007 and received several staff reports and legal opinion letters from interested parties. The Commission deliberations resulted in LAFCO Resolution No. 07-27.

Thereafter, LAFCO staff responded to an inquiry in 2014 in which the City inquired about the boundaries of the former American Canyon County Water District and what, if any, water

September 30, 2020

Page 4

connections outside of the City Limits require LAFCO authorization under CKH. Attached as Exhibit B is the August 2014 Memorandum by LAFCO Executive Officer Laura Snideman (August 2014 Memorandum). The August 2014 Memorandum by LAFCO staff to City staff responds to that issue and the MSR is consistent with this August 2014 Memorandum.

The August 2014 Memorandum states in its Summary Response as follows:

Summary Response

The District boundaries were reduced to coincide with the newly incorporated City and through the merger of the District with the City no longer exist. Subsequent LAFCO actions have acknowledged “grandfathering” of service delivery outside of the City’s boundaries and within a specific geographic area referred to as the Airport Industrial Area as mapped and memorialized by the Commission in October 2007. All other new or extended water connections provided after January 1, 2001, outside of the City and outside of this area must be authorized by LAFCO in accordance with the provisions of 56133 and as re-confirmed by the Commission in October 2007.

The August 2014 Memorandum acknowledges that this has been an area of confusion and states as follows:

As to why these questions keep surfacing, I believe there may be confusion about past references to the District’s former “service area” versus actual boundaries, and that the actual boundaries were far smaller than many perceived them to be. While various relatively recent documents contain written references to a very large service area, no formal LAFCO maps or documents could be found documenting this. In addition, and perhaps more to the point, the concept of a service area is not a legal concept under LAFCO law and what matters is that the District, whose jurisdictional boundaries at the time were relatively modest and made smaller in conjunction with the City’s incorporation as described above, has officially ceased to exist.

The confusion referenced in the August 2014 Memorandum appears to have resurfaced in the MSR comments and discussions. In order to address the continued confusion, I set forth the documents and past LAFCO actions that support the facts and legal conclusions set forth in the August 2014 Memorandum and which are consistent with the MSR statements.

- Prior to incorporation of the City of American Canyon water and wastewater was provided to the area by the former American Canyon County Water District. The boundaries of the former Water District were larger than the boundaries of the City of American Canyon as approved by LAFCO on May 15, 1991, pursuant to Resolution No. 91-18 related to the incorporation of the City of American Canyon. Attached as Exhibit C is LAFCO Resolution No. 91-18.

September 30, 2020

Page 5

- The May 15, 1991 LAFCO minutes related to the American Canyon Incorporation reflect that LAFCO approved a detachment from the Water District of a portion of the area that was within the former Water District boundaries. Upon city incorporation the Water District detachment reduced the then existing boundaries of the American Canyon County Water District. See May 15, 1991 LAFCO Minutes attached as Exhibit D which states: “THE TERRITORY DESCRIBED IN ATTACHMENT #1 SHALL BE DETACHED FROM THE AMERICAN CANYON COUNTY WATER DISTRICT ON THE EFFECTIVE DATE OF THE AMERICAN CANYON INCORPORATION, JANUARY 1, 1992.”
- LAFCO Resolution No. 91-18 conditions the incorporation of the City of American Canyon on the “merger of the American Canyon County Water District.” (See Section 7 of Resolution No. 91-18 attached as Exhibit C.) The minutes reflect that a portion of the former American Canyon County Water District was detached from the former District, which reduced the Water District boundaries to be conterminous with the newly incorporated city boundaries, and Resolution No. 91-18 reflects that upon incorporation of the City the Water District was merged with the newly formed City.
- In 2007 the Commission received several reports and considered at multiple meetings the City’s then existing water and wastewater service. On October 15, 2007, the Commission approved Resolution No. 07-27 (Exhibit A), which addressed Government Code section 56133 and LAFCO’s role in approving new or extended services outside the City’s jurisdictional boundary.
- Attached as Exhibit E is the Commission’s staff report memorandum dated February 27, 2007, related to its March 5, 2007 Agenda Item No. 8a, which provides a comprehensive review of Government Code section 56133 and water and wastewater service by the City of American Canyon outside its city limits. Government Code section 56133, which was effective on January 1, 1994, added a requirement for cities and special districts to receive written approval from LAFCO’s to provide new or extended services outside their jurisdictional boundaries. The application of 56133 to the City’s service area was discussed in detail in this staff report memorandum.
- Attached as Exhibit F is the Commission’s staff report memorandum dated September 19, 2007, related to its October 1, 2007 Agenda Item No. 7a, which further discusses the City’s water service area and the application of 56133.
- Attached as Exhibit G is the Commission’s staff report memorandum dated October 10, 2007, related to its October 15, 2007 Agenda Item No. 4a, which resulted in the approval of Resolution No. 07-27 related to LAFCO’s approval of American Canyon water and wastewater outside the American Canyon city limits.

September 30, 2020

Page 6

CONCLUSION

It is my understanding that there is no dispute that the City has the right and obligation to provide water and wastewater service to the “accounts that were originally connected and served by the American Canyon County Water District.” This includes customers which are outside the existing City limits. (See MSR at page 74 related to water service and page 94 related to wastewater service.) This area may be characterized as within the City’s “water service area” as the customers within this area currently receive and may continue to receive service from the City. The current misunderstanding may be related to the City’s ability to provide “new or extended services” to future customers within the area the City refers to as the “water service area.” The historical documents set forth in this Memorandum reflect and support the MSR’s characterization of the City’s ability to provide service to future customers within the “water service area.” Consistent with the original City incorporation, Government Code 56133, and LAFCO Resolution No. 07-27, the Commission must approve any new or extension of services outside the existing city limits or outside the area depicted in Resolution 07-27 as the Airport Industrial Area.