



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MEETING MINUTES OF OCTOBER 1, 2012**

1. CALL TO ORDER; ROLL CALL

Chair Chilton called the regular meeting of October 1, 2012 to order at 4:00P.M. The following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Lewis Chilton, Chair	Juliana Inman	Keene Simonds, Executive Officer
Brad Wagenknecht, Vice Chair	Gregory Rodeno	Jackie Gong, Commission Counsel
Joan Bennett	Mark Luce - <i>Excused</i>	
Bill Dodd		Kathy Mabry, Secretary
Brian J. Kelly		

2. PLEDGE OF ALLEGIANCE

Chair Chilton led the Pledge of Allegiance.

3. AGENDA REVIEW

The Commission approved a motion to accept the agenda as prepared.

4. PUBLIC COMMENTS

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

5. CONSENT ITEMS

a) Proposed Amendments to the Fiscal Year 2012-2013 Budget

The Commission considered technical amendments to the current fiscal year budget to correspond with a new financial accounting system implemented by the County of Napa that became effective July 1st and applies to all departments. This includes authorizing the establishment, redesignation and/or consolidation of certain accounts along with making corresponding fund transfers. The proposed amendments would not make changes to overall revenue or expense totals.

b) Amendment to Adopted Fee Schedule

The Commission considered an amendment to its adopted fee schedule to increase the initial deposit collected on behalf of the County of Napa's Public Works Department to review the maps and descriptions accompanying change of organization or reorganization proposals. The proposed amendment increased the number of hours included in the initial deposit from three to six and, as a result, raised the amount from \$495 to \$990.

c) Approval of Meeting Minutes

The Commission considered minutes prepared by staff for the August 6, 2012 meeting.

d) Report on Nominations for CALAFCO Board

Staff provided the Commission with a report from the California Association of Local Agency Formation Commissions on submitted nominations for board elections scheduled for October 4, 2012, as part of the Annual Conference in Monterey. CALAFCO reported one nomination each has been filed for the two opening seats in the coastal region. Both nominations involved incumbents John Leopold (Santa Cruz / county) and Michael McGill (Contra Costa / district).

5. CONSENT ITEMS – *continued*:

e) Current and Future Proposals

The Commission received a report summarizing current and future proposals. No new proposals have been filed with the Commission since the August 6, 2012 meeting, leaving two active proposals; both of which remain dormant given economic (forming the Villa Berryessa Water District) or political (annexing wastewater spray fields to St. Helena) considerations. The report notes three annexations are expected to be filed in the near future and all involve the City of Napa (29 Forrest Drive; 1201 Imola Avenue; and 1101 Grandview Drive).

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

6. PUBLIC HEARING ITEMS

a) Continuation: Sphere of Influence Update on County Service Area No. 3

The Commission continued consideration of its scheduled sphere of influence update on County Service Area (CSA) No. 3 from the August 6, 2012 meeting. It was recommended the Commission update the sphere of influence to include an additional 100 acres of unincorporated land identified in the associated final report as Subarea "A-1." Staff provided a final report codifying its analysis and an accompanying resolution to update the sphere of influence as recommended for Commission approval. Staff also presented a supplemental report as previously directed by the Commission to evaluate a request by interested landowners ("Atkins Group") to also include a 25 acre lot located in Subarea "A-2" to facilitate a development and/or sale of the property. The supplemental report confirmed the conclusion of the final report that Commission policies and practices suggested it would be appropriate to continue to exclude the Atkins Group's lot from CSA No. 3's sphere at this time with specific emphasis on noting the land lies entirely within American Canyon's urban limit line. The supplemental report, however, also acknowledged the Atkins Group's negotiated rights with the County of Napa for future road and utility access to their lot from Airport Drive as part of an earlier settlement agreement between the two parties signals a potential economic and social tie to CSA No. 3 unique from the rest of the properties in A-2. Consequently, the supplemental report concluded adding the Atkins Group' lot to CSA No. 3's sphere as part of the update would be reasonable if it is the members' preference to assign deference to the referenced settlement agreement relative to the other addressed policy considerations.

Chair Chilton invited questions or comments by Commissioners. Commissioner Kelly wanted to know what – if any – changes in land use allowances exist between the County and American Canyon as it relates to the Atkins Group' lot. Staff replied there were no substantive differences between the County and American Canyon's land use policies as it relates to the Atkins Group' lot. Commissioner Kelly also asked whether American Canyon had indicated intent to change its land use policies concerning the Atkins Group' lot. Staff responded they were not aware of any new plans by American Canyon concerning the lot.

Commissioner Wagenknecht asked for clarification of the staff recommendation as it relates to the Atkins Group' lot and specifically the interaction with American Canyon's urban growth boundary Staff stated the recommendation to exclude the Atkins Group' lot from the sphere is principally driven by assigning deference to American Canyon's urban growth boundary as provided under Commission policy. Staff also noted, though, the Commission has occasionally approved sphere designations that did not follow the affected city's urban growth boundary based on unique conditions; a consideration that may apply in this case if the members believe it would be appropriate for the Atkins Group' lot to be developed – at least in the near term – under the County's land use authority.

Chair Chilton opened the public hearing.

Consultant Dick Lowkee addressed the Commission on behalf of his client Charles Merrill; a part owner in the Atkins Group' lot. Mr. Lowkee summarized his client's interest and justification with regards to why the Atkins Group' lot should be added to CSA No. 3's sphere given the land's nexus and similarity with properties located in Subarea A-1.

Chair Chilton thanked Mr. Lowkee for his comments, and asked for any other public comments. There were none. Chair Chilton closed the public hearing.

Commissioner Bennett asked staff how people were notified of the sphere update, and for more information regarding recurring problems with the County and the property owners. Staff stated that a public hearing notice was published in the local newspaper 21 days in advance of the hearing as required under law. Staff also noted they had voluntarily mailed out an announcement on the sphere update and recommendations therein to all affected landowners in the four subareas. Staff commented they purposefully limited the scope of the supplemental report in addressing the claims made by the Atkins Group against the County to only the outcome of the settlement agreement as it relates to establishing road and utility access for the subject lot.

Commissioner Inman noted that if the subject lot eventually develops as accessory uses for the airport, then it would be proper for it to be in CSA No. 3, however, if other uses, it would be proper to be in American Canyon.

Commissioner Dodd suggested it would be reasonable to add the Atkins Group's lot to CSA No. 3's sphere now given the analysis in the supplemental report while noting it does not preclude the lot from eventually going into American Canyon in the future if warranted based on development uses and service needs.

Chair Chilton asked for clarification from staff as to why the Atkins Group's lot is located within American Canyon's urban growth boundary but lies outside the City's sphere. Staff stated the Commission had conditionally added the Atkins Group's lot to American Canyon's sphere as part of the last update along with the two neighboring properties known as "Panattoni" and "Headwaters." Staff added the addition of these properties to the sphere were conditioned on American Canyon first executing land use easements with the affected landowners to ensure their continued industrial uses and within a specified time period. An industrial easement for the Atkins Group's lot was not completed by the established deadline and, as a result, remains outside American Canyon's sphere.

Commissioner Bennett commented she learned from the American Canyon that staff had tried very hard to get the Atkins Group to respond to an easement agreement, but they did not. Commissioner Bennett added she did not believe there would be a problem with the Commission adding the Atkins Group's lot to CSA No. 3's sphere at this time. Chair Chilton opened the public hearing again to take additional testimony.

Dick Lowkee responded to the question about why the Atkins Group's lot is not in American Canyon's sphere and clarified the property owners did not want to exercise that particular easement agreement given collateral considerations.

Commissioner Wagenknecht requested to hear from Napa County Airport staff on this matter.

Airport Manager Martin Pehl advised the Commission that it did not have a preference with respect to the Atkins Group's lot being added to CSA No. 3.

Chair Chilton once again closed the public hearing.

Upon motion by Commissioner Bennett and second by Commissioner Dodd, the staff recommendation to update the sphere of influence for CSA No. 3, as well as to include the Atkins property (APN#057-040-007) was approved unanimously (**Resolution #2012-08**).

7. **ACTION ITEMS**

None.

8. **DISCUSSION ITEMS**

a) **Sphere of Influence Update on Lake Berryessa Resort Improvement District**

The Commission received a draft report on its scheduled sphere of influence update on Lake Berryessa Resort Improvement District (LBRID). The main focus of the draft report is to consider whether it is appropriate to expand the current sphere of influence designation to include the entire jurisdictional boundary. There are 1,850 acres of remaining jurisdictional lands that lie outside of the sphere. There were no recommendations from staff, only three distinct update options, depending on Commission preference and according to LAFCO law:

Option 1) Expand the Sphere to Match the entire Jurisdictional Boundary;

Option 2) Retain Current Sphere and Pursue Detachment Alternatives; and

Option 3) Retain Current Sphere and Table Considerations.

The draft report was presented for discussion and direction in anticipation of staff preparing a final report for adoption at a future meeting. Staff plans to issue a 30-day public review notice on the draft report to all interested parties – including landowners, and will incorporate the input provided by Commissioners in preparing a final report for consideration at the next regularly scheduled meeting.

Chair Chilton invited questions or comments from Commissioners.

Commissioner Dodd expressed support for Option Three given the current flux underlying the municipal and fiscal operation of the District.

Chair Chilton invited questions or comments from the public.

Steve Lederer, County Public Works Director, addressed the Commission and stated Option Three made sense as commented by Commissioner Dodd. Mr. Lederer also noted the District was in the process of starting new outreach to assess community needs and preferences going forward, including performing a household income survey to determine the scope of financing options available to fund needed improvements. Mr. Lederer also stated the likelihood of the Napa County Regional Park and Open Space District initiating any projects in the near term for lands subject to the update were unlikely.

Lisa Diseptimo with Napa County Land Trust commented the organization – which owns a significant portion of land located within one of three subareas under review – has no interest in having their properties added to the District's sphere given they have no need for services. ,

Commissioner Rodeno questioned whether there was a compelling reason to add publicly owned/non-profit conservation lands in the sphere and specifically referenced the property owned by the Land Trust in Subarea A-3.

Chair Chilton asked if there are any requirements for property owners of privately-owned lands to agree to detachment. Staff responded yes and noted this issue presumably would be

an issue at a minimum for property owners in Subarea A-1, also known as Unit One, given several have indicated interest in establishing water service with the District.

Commissioner Inman inquired whether adding Subarea A-2 to the sphere would financially benefit the District. Staff responded there would be no financial benefit to the District given the land is already in its jurisdiction and, accordingly, generates a proportional amount of property tax revenue.

Chair Chilton noted the report was in draft form and asked Commissioners if there was any further direction for staff before a final version is prepared. Commissioners Bennett, Dodd, Kelly and Wagenknecht commented they supported Option Three.

b) Update on Adopted Study Schedule

Staff provided the Commission with a brief update on the status of the municipal service reviews and sphere of influence updates calendared as part of the current study schedule. The update was presented for discussion and the Commission's direction to staff with regards to future related actions.

9. EXECUTIVE OFFICER REPORT

The Commission received a verbal report from the Executive Officer regarding current staff activities. This included the following:

- Biennial Review of Conflict of Interest Code; updated with no changes.
- Informational Report on Private Community Water Systems Operating in Napa County
- CALAFCO Annual Conference, October 3-5, 2012, Monterey, California

10. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

None.

11. CLOSED SESSION

There was no closed session.

12. COMMISSIONER COMMENTS; REQUEST FOR FUTURE AGENDA ITEMS

There was no discussion of this item.

13. ADJOURNMENT

The meeting was adjourned at 5:05 p.m. The next regular LAFCO meeting is scheduled for Monday, December 3, 2012 at 4:00 p.m.

Lewis Chilton, Chair

ATTEST: Keene Simonds, Executive Officer

Prepared by:

Brandon Freeman

FOR: Kathy Mabry, Commission Secretary