



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

■ Anne Cottrell, Chair ■ Kenneth Leary, Vice Chair ■ Margie Mohler ■ Beth Painter ■ Belia Ramos  
■ Mariam Aboudamous, Alternate ■ Joelle Gallagher, Alternate ■ Eve Kahn, Alternate

**Administrative Office**  
1754 Second Street, Suite C  
Napa, California 94559  
Telephone: 707-259-8645  
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### SPECIAL MEETING AGENDA Monday, June 3, 2024, 1:00 PM Yountville Town Hall Council Chambers 6550 Yount Street Yountville, CA 94599

1. **CALL TO ORDER BY CHAIR; ROLL CALL**

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVAL OF AGENDA**

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

4. **PUBLIC COMMENTS**

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

5. **COMMISSION WORKSHOP**

The Commission will hold a public workshop and discussion and provide direction to staff regarding: (1) the Support Services Agreement (SSA) with Napa County; and (2) becoming a more independent LAFCO.

6. **CONSENT ITEMS**

**Action Items:**

- a) **[Approval of Meeting Minutes: April 25, 2024 Special Meeting](#)**
- b) **[Budget Adjustment No. 2 for Fiscal Year 2023-24](#)**
- c) **[Rescind Resolution No. 2023-11](#)**

**Receive Report for Information Only:**

- d) **[Third Quarter Budget Report for Fiscal Year 2023-24](#)**
- e) **[Current and Future Proposals](#)**
- f) **[Legislative Report](#)**
- g) **[2024 CALAFCO Staff Workshop Summary](#)**

7. **PUBLIC HEARING ITEMS**

Any member of the public may address the Commission with respect to a scheduled public hearing item.

- a) **[Final Budget for Fiscal Year 2024-25, Amendment to the Schedule of Fees and Deposits, and Work Program for Fiscal Year 2024-25](#)**

The Commission will consider the following actions: (1) adopt the proposed final budget by resolution (Attachment 1); (2) amend the *Schedule of Fees and Deposits* by resolution (Attachment 2); and (3) adopt a Work Program for fiscal year 2024-25 by resolution (Attachment 3).

**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.

a) **Proposed Redwood Road/Ruston Lane Annexation to the Napa Sanitation District and Associated CEQA Findings**

The Commission will consider a proposal for the annexation of one parcel totaling approximately 1.59 acres in size to the Napa Sanitation District. The affected territory is located at 2550 Redwood Road and identified as Assessor Parcel Number 007-261-003. The annexation is exempt from the California Environmental Quality Act.

**9. DISCUSSION ITEMS**

A member of the public may receive permission to provide comments on any item calendared for discussion at the discretion of the Chair. General direction to staff for future action may be provided by Commissioners.

a) **Report From University of California Berkeley on LAFCO and Water System Consolidation**

The Commission will receive a report from the University of California Berkeley related to LAFCOs and water system consolidations. The Commission is invited to discuss the report's recommendations and provide direction to staff.

**10. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS**

**11. ADJOURNMENT TO NEXT SCHEDULED MEETING**

Monday, August 5, 2024, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

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**MEETING INFORMATION**

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

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

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

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

**SUBMITTING WRITTEN COMMENTS TO BE READ AT THE MEETING:** Any member of the public may submit a written comment to the Commission before the meeting by email to [info@napa.lafco.ca.gov](mailto:info@napa.lafco.ca.gov) or by mail to Napa LAFCO at 1754 Second Street, Suite C, Napa, CA 94559-2450. If you are commenting on a particular item on the Agenda, please identify the Agenda item number and letter. Any comments of 500 words or less (per person, per item) will be read into the record if: (1) the subject line includes “COMMENT TO COMMISSION – PLEASE READ”; and (2) it is received by the Commission prior to the deadline of **June 3, 2024, at 9:00 A.M.**

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

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

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

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

**POLITICAL REFORM ACT:** Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contributes \$1,000 or more or expends \$1,000 or more in support of or in opposition to a change of organization or reorganization that will be, or has been, submitted to LAFCO must comply, to the same extent as provided for local initiative measures, with reporting and disclosure requirements of the California Political Reform Act of 1974. Additional information can be obtained by contacting the Fair Political Practices Commission. Pursuant to Government Code Section 84308, if you wish to participate in the proceedings indicated on this Agenda, you or your agent is prohibited from making a campaign contribution of \$250 or more to any Commissioner or Alternate Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 12 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 [www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov) or by contacting LAFCO staff at [info@napa.lafco.ca.gov](mailto:info@napa.lafco.ca.gov) or call the LAFCO office at (707) 259-8645. If supplemental materials are made available to the members of the Commission at the meeting, a copy will be available for public review at [www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov). Staff reports are available online at [www.napa.lafco.ca.gov/staff-reports-2023](http://www.napa.lafco.ca.gov/staff-reports-2023) or upon request to LAFCO staff at [info@napa.lafco.ca.gov](mailto:info@napa.lafco.ca.gov) or call the LAFCO office at (707) 259-8645.

**VIEWING RECORDING OF MEETING:** The Commission’s meeting will be recorded. Members of the public may access the meeting and other archived Commission meetings by going to <https://napa.lafco.ca.gov/2023-agendas-and-minutes>. Please allow up to one week for production time. Meetings are also broadcast on Napa TV on the second and fourth Tuesdays of each month at 8pm and second and fourth Wednesdays at 1pm (<http://napavalleytv.org/channel-28>).

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**Agenda Item 5 (Workshop)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *BF*  
Dawn Mittleman Longoria, Assistant Executive Officer *DML*  
Stephanie Pratt, Clerk/Jr. Analyst *SP*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Workshop: Support Services Agreement (SSA) with Napa County

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**RECOMMENDATION:**

The Commission will review the information contained within the Workshop report. The Commission will consider providing direction to staff with respect to possible next steps.

**SUMMARY AND BACKGROUND**

**Request for workshop**

“Continue gaining greater LAFCO independence” is one of three goals adopted in the Commission’s Strategic Plan for July 1, 2023-June 30, 2025. The Commission held its Strategic Planning Session on July 10, 2023. The Commission unanimously adopted the Strategic Plan at its October 2, 2023, meeting. At the Commission’s April 25, 2024, meeting it was requested to hold a workshop to consider the various aspects of going independent. It was requested that the workshop include the Commission’s legal counsel.

**LAFCOs are an independent government agency.**

*The State Legislature determined, 25 years ago, that LAFCOs are independent agencies based on the recommendations of the Commission on the 21<sup>st</sup> Century.<sup>1</sup>*

The Commission on the 21<sup>st</sup> Century recommended to the State Legislature that LAFCOs become independent.<sup>2</sup>

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<sup>1</sup> Over 16 months, the Commission on the 21<sup>st</sup> Century held 25 days of public hearings and heard testimony from over 160 individuals and groups.

<sup>2</sup> *Growth Within Bounds Report of the Commission on Local Governance for the 21<sup>st</sup> Century*

*LAFCO reform has been a constant refrain since 1963. An always prevalent theme behind the call for reform is that the makeup of LAFCO is somehow biased towards the counties or the cities, and that there should be some level of independence. From the standpoint of finances, every LAFCO is 'dependent' upon the county. It is not difficult, therefore, to understand why LAFCOs might be viewed with suspicion by the non-county members.*

Independent Commission:

LAFCO Commissioners act in the best interest of the public as a whole:

*The Commission recommends that a provision be added to the Cortese-Knox Act emphasizing that the role of LAFCO commissioners is to act in the best interest of the public as a whole and not solely in the interests of their respective appointing authority.*

Public member appointment:

*The selection of the public member should be subject to the affirmative vote of at least one of the representatives selected by each of the three appointing authorities.*

Special district representation on LAFCO:

*The Commission supported the expansion of all LAFCOs to include special district members.*

Independent staff:

*The commissioners do not believe that changing the basic composition of LAFCO will, by itself, change the public perception. Staff and funding independence are just as important. The Commission believes that promoting independent staffs and budgets are just as important as changing the methods of selecting LAFCO members.*

Exception for rural, low activity LAFCOs

It was noted that small, rural LAFCOs cannot afford independent staff. These LAFCOs had low activity (1-10 projects per year) and meet infrequently (i.e., three or fewer times per year).

Napa LAFCO is an urban, high activity LAFCO:

Napa LAFCO has a high activity level (15-20 projects per year). The Commission is proactive rather than reactive. The Commission conducts strategic planning sessions and adopts workplans that go beyond the basics. Napa LAFCO regularly conducts service reviews of local agencies. These reviews are in depth and thorough. LAFCO Commissioners Cottrell and Painter serve on the Commission's ad hoc Legislative Committee reviewing all relevant legislation. In addition, Napa LAFCO is also very active at the state level with the California Association of Local Agency Formation Commissions (CALAFCO). Two Commissioners, Margie Mohler and Ken Leary, serve on the Board. Margie Mohler is the current Chair of the Board. The Napa

Assistant Executive Officer serves as one of CALAFCO's Deputy Executive Officers (Napa LAFCO receives \$4,000 per year for her service). In addition, Napa LAFCO has recently received the following awards:

1. Mike Gotch Protection of Ag and Open Space Lands and the Prevention of Urban Sprawl Award for Green Island Project (2023)
2. Lifetime Achievement Award to Napa's Assistant Executive Officer (2023)
3. Outstanding Associate Member was awarded to Napa LAFCO's legal counsel, Colantuono, Highsmith & Whatley, PC (2023)
4. Mike Gotch Excellence in Public Service Award for the Napa Pipe Project (2021)
5. Outstanding Commissioner Award to Margie Mohler (2018)

**Legislative action based on recommendations of the Commission on the 21<sup>st</sup> Century:**

**Major revisions to the code sections governing LAFCOs**

Subsequent to the recommendations to the Legislature, legislation (AB 2838 Hertzberg) was passed to reform the Cortese-Knox Local Government Act. As a result, LAFCOs are now governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Various updates have occurred to further clarify the Legislature's intent.

It should be noted that, consistent with the language used in California legal code, the term "shall" is a requirement. The term "may" is optional.

Independent Commission:

*GC §56331.4 While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.*

Public member appointment:

*GC §56325(d) One representing the general public appointed by the other members of the commission. The other members of the commission may also appoint one alternate member who shall serve pursuant to Section 56331. Appointment of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members appointed by each of the other appointing authorities. Whenever a vacancy occurs in the public member or alternate public member position, the commission shall cause a notice of vacancy to be posted as provided in*

*Section 56158. A copy of this notice shall be sent to the clerk or secretary of the legislative body of each local agency within the county. Final appointment to fill the vacancy may not be made for at least 21 days after the posting of the notice.*

**Independent staff:**

*“Shall” appoint Executive Officer:*

*GC §56384(a) The commission shall appoint an executive officer who shall conduct and perform the day-to-day business of the commission. If the executive officer is subject to a conflict of interest on a matter before the commission, the commission shall appoint an alternate executive officer. The commission may recover its costs by charging fees pursuant to Section 56383.*

*“Shall” appoint Legal Counsel:*

*GC §56384(b) The commission shall appoint legal counsel to advise it. If the commission's counsel is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate legal counsel to advise it. The commission may recover its costs by charging fees pursuant to Section 56383.*

*“May” appoint staff as it deems appropriate:*

*GC §56384(c) The commission may appoint staff as it deems appropriate. If staff for the commission is subject to a conflict of interest on a matter before the commission, the commission shall appoint alternate staff to assist it. The commission may recover its costs by charging fees pursuant to Section 56383.*

**LAFCOs may contract with any public agency or private party for services**

*GC §56380 The commission shall make its own provision for necessary quarters, equipment, and supplies as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.*

**Current SSA with County of Napa (Attachment 1)**

It is common for agencies and individuals to review their contracts with service providers on a regular basis. The Commission’s service contract with the County has not undergone official review in 22 years. Therefore, the Commission has requested that staff evaluate the services provided through the contract with the County. It has been requested that staff advise the Commission regarding which services may continue to be provided by the County and which services may be provided by another source.

Staff conducted analysis of the cost and staff time required for services through the County. Then staff conducted research to determine the costs associated with contracting outside the County for necessary services. Staff acquired service estimates based on recommendations from other LAFCOs. Then staff interviewed

possible service providers to determine whether they would align with the needs of Napa LAFCO. The following information provides an overview of staff's findings. Any final decisions would require approval by the Commission.

Staff concluded that the most cost effective and efficient service provided by the County is the benefit program for staff. This program includes healthcare and retirement benefits.

*GC §56385 The commission may contract for retirement benefits for the executive officer or staff personnel pursuant to the County Employees Retirement Law of 1937, Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 or the Public Employees' Retirement Law, Part 3 (commencing with Section 20000) of Division 5 of Title 2. It may also provide for health and medical benefits. The commission shall preserve accrued vacation, sick leave, compensatory time, and retirement benefits of persons hired from within the employment of their respective county.*

***Inefficiency of the SSA for LAFCO's limited staff time:***

The County is a large organization employing approximately 1,500 employees. Large government organizations require robust systems to service the extent of their operations and large number of employees. The payroll, payment of claims and processing of deposits are all handled on a large scale for the County.

Robust systems such as those required for a large organization are unnecessary and inefficient for smaller organizations with only three employees, such as Napa LAFCO.

The following chart compares LAFCO staff time for applications, MSRs, and the staff time for complying with the required County systems.

<b>Activity</b>	<b>LAFCO Staff Time</b>	<b>Staff time cost: Fully burdened hourly rate: \$170</b>
Standard proposal	30 hours	\$5,100
Complicated proposal	40-60 hours	\$6,800-\$10,200
Service Review	200-500 hours	\$34,000-\$85,000
Commission meeting, preparation, follow up	48 hours/meeting	\$8,160/meeting
Processing claims	12 hours/month	\$2,040/month
Depositing checks	5-10 hours/month	\$850 - \$1,700



Processing simple reimbursements	0.5 hours/average	\$85/average
Processing complex reimbursements (e.g., Commissioner conference costs with multiple rejections and resubmittals)	10 hours/average	\$1,700/average

**Reimbursement for business expense**

Commissioner expenses:

*GC §56334 Commission members and alternates shall be reimbursed for the actual amount of their reasonable and necessary expenses incurred in attending meetings and in performing the duties of their office. The commission may authorize payment of a per diem to commission members and alternates for each day while they are in attendance at meetings of the commission.*

Unfortunately, reimbursement for Commissioners and staff can take months and require a significant amount of LAFCO staff time. LAFCO does not have an official credit card for these expenses. Commissioners and staff must use their personal credit cards for these expenses; therefore, the reimbursement delay has a negative impact. It is common for government agencies to have a credit card for these expenses. There are strict rules and regulations to assure these credit cards are used only for legitimate business expenses and within a set limit.

As an example, a reimbursement for \$12 took 10 months, including 18 emails between LAFCO staff and County staff. In this example, a \$12 reimbursement cost approximately \$1,530 of LAFCO staff time.

**Cost estimates for Napa LAFCO's service provider options:**  
 The bids for service listed in the chart reflect possible providers.

<b>Firm &amp; Service Provided</b>	<b>Current Cost/ year</b>	<b>Estimate (one time cost)</b>	<b>Estimate/ year</b>	<b>Notes</b>
<b>Regional Government Services (RGS)</b> – Accounting, Bookkeeping, Payroll including benefit and pension payments, Financial Reporting	\$4,000	\$10,000	\$19,800/yr	
<b>QuickBooks-</b> Accounting Software			\$1,440- \$2,160/yr	
<b>APS</b> Payroll Service		\$100	\$306/yr	
<b>RGS</b> On call human resources			\$10,000/yr	As needed basis, not to exceed.
<b>Colantuono, Highsmith &amp; Whatley, PC (CHW)</b> – Personnel Handbook		\$2,800		Estimate from Gary Bell, legal counsel for Napa LAFCO
<b>ESRI</b> – Mapping (Standard User) Online Editor Subscription			\$3,025/yr \$220/user	Will need 2 users so \$440/yr
<b>AUDITING</b> – Brown & Armstrong Fechter & Associates Bianchi Kasavan & Pope, LLP Davis Farr, LLP	\$4,200		\$6,000	2023 Fee (Likely low bc county contract with them) Other LAFCO est more than double that rate.
<b>ITS</b> CEG Firm, Napa	\$27,746	\$13,200	\$10,320	
Computers		\$3,000- \$5,000 (3 laptops)		Laptops purchased with government discount
<b>MEETING SPACE</b> – CITY OF NAPA TOWN OF YOUNTVILLE			No fee No fee	
<b>Office rent</b>		NA	NA	No change, currently independent office space.
<b>PG&amp;E</b>		N A	NA	No change, currently independent office space.

**Personnel requirements:**

In 2021, LAFCO's part-time secretary retired. Various LAFCOs across the state have determined that a "Clerk/Jr. Analyst" position provides flexibility and a broader range of skills that are essential for the position. This is especially true for LAFCOs with less than four staff members. For this reason, the Executive Officer and Commission pursued filling the part-time secretary position with a full-time Clerk/Jr. Analyst.

The Conditions of the SSA required developing a new job classification. Unfortunately, this process took almost one year to accomplish. During this time, the remaining staff of two had to cover the vacant position, as well as their other full-time duties. As a result, the Work Program and staff suffered from the overload.

Independent LAFCOs contract with reputable firms and agencies to provide human resources functions. The service providers comply with all legal requirements related to personnel needs. These LAFCOs have worked with legal counsel to develop personnel handbooks that include job descriptions, rules and regulations. Our legal counsel has provided this service to other agencies and has provided a cost estimate.

**ATTACHMENT**

- 1) SSA with Napa County

NAPA COUNTY AGREEMENT NO. 4433LAFCO OF NAPA COUNTY AGREEMENT NO. 03-02

**AGREEMENT FOR THE PROVISION OF SUPPORT SERVICES  
BY THE COUNTY OF NAPA TO THE NAPA COUNTY  
LOCAL AGENCY FORMATION COMMISSION**

**THIS AGREEMENT** is entered into as of this 1st day of July, 2003, by and between the COUNTY OF NAPA (hereinafter "County"), a political subdivision of the State of California, and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, pursuant to Government Code Section 56380 of the Cortese-Knox-Hertzberg Local Government Reorganization Act (enacted effective January 1, 2001 and hereinafter referred to as "Act"), LAFCO is authorized to contract with any public agency for necessary personnel, facilities, and equipment to carry out and effect its functions and responsibilities; and

**WHEREAS**, pursuant to Government Code Section 56380, LAFCO must make its own provisions for independent staffing and operations; and

**WHEREAS**, LAFCO has need of specified personnel, accounting and legal services for its independent operations which County is willing and able to provide under the terms and conditions set forth herein below; and

**WHEREAS**, the County and LAFCO have entered into agreements for the provision of support services for fiscal years 2001-2002 and fiscal year 2002-2003;

**TERMS**

**NOW THEREFORE**, in consideration of the foregoing and the mutual promises hereinafter expressed, the parties mutually agree as follows:

1. **TERM.** The term of this Agreement shall become effective upon the date first written above and shall expire on June 30, 2004, unless terminated earlier in accordance with Paragraph 14 (Termination); except that the obligations of the parties under Paragraph 8 (Indemnification) and 10 (Confidentiality) 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. The term of this Agreement shall be automatically renewed for an additional year at the end of each fiscal year, under the same terms and conditions, unless terminated pursuant to Paragraph 14. For purposes of this Agreement, "fiscal year" shall mean the period commencing on July 1 and ending on June 30.

**2. SERVICES TO BE PROVIDED BY COUNTY.** County shall provide the following services subject to LAFCO abiding by County policies and procedures governing such services, except that whenever such policies and procedures provide for the Board of Supervisors to approve the appropriation of funds, or to approve the acquisition of services, goods or assets, or to make any other legislative decisions to carry out such services, the LAFCO Commission shall act in lieu of the Board of Supervisors:

(a) **Executive Officer.** County shall designate its at-will employee Daniel Schwarz to serve as LAFCO Executive Officer (hereinafter "Executive Officer"). The Executive Officer shall perform the duties as specified in the Act and other applicable laws and such other duties as specified by LAFCO. County agrees that the LAFCO Commission, as the appointing authority of the LAFCO Executive Officer, shall have the responsibility for evaluating the performance and setting compensation for the Executive Officer, so long as these actions are implemented in a manner consistent with County personnel policies, rules and regulations. The duties to be provided by the Executive Officer shall include, but not be limited to:

- Preparing staff analyses, reports, proposed findings and other agenda materials for LAFCO relating to boundary proposals, contracts for provision of new and extended services outside city and district jurisdictional boundaries, sphere of influence amendments, periodic review of sphere of influence designations and any other matters that are within LAFCO's authority under the Act.
- Calling and noticing LAFCO meetings in accordance with the Act and LAFCO policies and procedures.
- Preparing, mailing, filing, publishing and keeping records of agendas, notices and other required official documents on behalf of LAFCO.
- Responding to inquiries and providing information and technical assistance to interested public agencies and individuals.
- Providing supporting fiscal services such as the development of the annual LAFCO budget, management of LAFCO financial accounts, including the processing of LAFCO fees and charges, the processing of payment of LAFCO charges and expenses, and the preparation of required fiscal reports.
- Informing LAFCO Commissioners of new legislation, correspondence to LAFCO, CALAFCO activities, current events and matters of interest relating to LAFCO.

(b) **Support Staff.** County shall provide part-time clerical staff (.5 F.T.E.) and one full-time analyst to assist the Executive Officer in carrying out the day-to-day operations of

LAFCO and such other staff as the LAFCO Commission deems necessary, appropriates funds for, and directs County to provide, as set forth in (c).

(c) **Additional Services.** County, through its departments and divisions, shall further provide LAFCO those services set forth in Attachments "A" through "G", attached hereto and incorporated by reference as if set forth herein. It is the intention of both parties that the level of service provided shall be at least equal to that provided in County fiscal year 2002-2003 unless otherwise specifically agreed to by LAFCO and County.

3. **OFFICE SPACE.** It is the understanding of the parties that LAFCO has made direct arrangements with third parties to secure and maintain office space and such services are therefore not included within this Agreement.

4. **REIMBURSEMENT.**

(a) **Rates.** In consideration of County's fulfillment of the promised services and personnel, LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County and its departments and divisions in providing these services. The rates shall be determined and mutually agreed to by the parties as follows:

(1) **FY 2003-2004.** The rates for fiscal year 2003-2004 are set forth in Attachment "AA" and hereby attached and incorporated by reference.

(2) **Procedure for Subsequent Annual Determination of Rates.** During the fourth quarter of each fiscal year of this Agreement the County Executive Officer, or his designee, and the Executive Officer of LAFCO shall meet prior to adoption of the respective annual County and LAFCO budgets to determine and calculate the proposed rates for County staff and services to be furnished during the succeeding fiscal year which will be necessary to achieve the cost reimbursement provided for in (a), subject to the additional factors set forth in (b) through (f), below. The annual adjustment of these reimbursement rates so determined shall be approved in writing by the County Executive Officer and the Executive Officer of LAFCO and when so approved shall become effective for the subsequent fiscal year unless this Agreement is not renewed or otherwise terminated by the County and/or LAFCO.

(b) **LAFCO Staffing Reimbursement.** LAFCO shall reimburse County for the salary and benefits of County staff primarily assigned to serve LAFCO, including any increases in salary and benefits that County provides such staff during the term of this Agreement.

(c) **LAFCO-Requested Travel Expense Reimbursement.** LAFCO shall reimburse County for expenses incurred by County departments and divisions for travel by their assigned personnel when such travel has been requested by LAFCO in writing. Such reimbursement shall be in accordance with the travel expense policy approved by County's Board of Supervisors in effect on the date of the travel. Notwithstanding the foregoing, travel costs incurred through use of a County vehicle shall be reimbursed in accordance with the County Equipment Pool rates in effect at the time of the travel.

(d) **Bank Analysis Pass-through Charge.** LAFCO shall reimburse County on a pass-through basis for the costs incurred by County for bank charges relating to LAFCO activities.

(e) **General Liability Coverage/Workers' Compensation Coverage:** LAFCO shall reimburse County for general liability coverage and workers' compensation coverage at the rates established by County each fiscal year.

(f) **Adjustment for Additional LAFCO-Requested Services.** LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County in providing any new or increased services requested by LAFCO. Such additions or increases in services shall be permitted only if approved in writing by the County Executive Officer and LAFCO Executive Officer, including approval of the applicable reimbursement rates.

**5. METHOD OF REIMBURSEMENT.** Reimbursement for the costs of services, related supplies, and authorized travel incurred by County under this Agreement shall be made only upon presentation by the performing County department or division to LAFCO of an itemized billing invoice in a form acceptable to the Executive Officer of LAFCO and to the Napa County Auditor which indicates, at a minimum, an itemization of the services provided, the costs of any LAFCO-requested travel, and any documentation relating to adjustments in maximum compensation authorized in the manner provided in Paragraph 4 above. If the Executive Officer of LAFCO requires further information regarding the invoice, County shall make a good faith effort to provide such information, including documentation that the Executive Officer requests to justify the invoice charges. County shall submit such invoices quarterly to the Executive Officer of LAFCO who shall review each invoice for compliance with the requirements of this Agreement and shall, within ten working days of receipt, either approve or disapprove the invoice in light of such requirements. If the invoice is approved, the Executive Officer of LAFCO shall direct reimbursement be made by journal entry from the LAFCO Operations Fund to the account designated by the submitting County department or division as of the first day of the County fiscal year quarter immediately succeeding the quarter in which the services were rendered. Notwithstanding the foregoing, the final quarterly invoices for the fourth quarter reimbursement shall be submitted no later than the first working day following the close of the County fiscal year (June 30) and, if approved, shall be paid on or before July 15 of the next County fiscal year.

**6. ADMINISTRATION OF SERVICES.** The provision of services under this Agreement shall be under the administrative supervision and direction of the Executive Officer of LAFCO on behalf of LAFCO, and the County Executive Officer on behalf of County.

**7. APPROPRIATIONS.** LAFCO shall be responsible for operating within the appropriations budgeted for the current fiscal year. The process for reimbursement of expenses that exceed the given appropriation shall involve review and approval by LAFCO prior to County approval by the Board of Supervisors of a contingency transfer. Any County appropriations in

excess of LAFCO's budget for the current fiscal year shall be charged as an expense in LAFCO's current fiscal budget and shall be reimbursed to County in the following fiscal year.

**8. TAXES.** As between LAFCO and County, County agrees to be solely liable and responsible for all required tax withholdings and other obligations including, without limitation, those for state and federal income and FICA taxes relating to employees or subcontractors retained by County to provide the services provided to LAFCO under this Agreement. County agrees to indemnify and hold LAFCO harmless from any liability either may incur to the United States or the State of California as a consequence of County's failure to withhold or pay such amounts when due. In the event that LAFCO is audited for compliance regarding any such withholding or payment of taxes, County agrees to furnish LAFCO with proof of the withholding or payment action by County.

**9. ACCESS TO RECORDS/RETENTION.** LAFCO shall have access to any books, documents, papers and records of County 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, County shall maintain all required records for seven (7) years after LAFCO makes final reimbursement for any of the services provided hereunder and all pending matters are closed, whichever is later. County shall cooperate with LAFCO in providing all necessary data in a timely and responsive manner to comply with all LAFCO reporting requirements.

**10. CONFLICT OF INTEREST.** The parties to the Agreement acknowledge that they are aware of the provisions of the Government Code Section 1090 et seq., and Section 87100 et seq., relating to conflict of interest of public officers and employees. During the term of this Agreement, the Executive Officer of LAFCO and all other LAFCO staff shall not perform any work under this Agreement that might reasonably be considered detrimental to LAFCO's interests. LAFCO staff shall take such measures as are deemed necessary in the performance of this Agreement to prevent actual conflicts of interest. County hereby covenants that it presently has no interest not disclosed to LAFCO and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services or confidentiality obligation hereunder, except such as LAFCO may consent to in writing.

**11. COMPLIANCE WITH LAWS.** In providing the services required by this Agreement, County shall observe and comply with all applicable federal, state and local laws, ordinances, codes, and regulations. 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, County and its subcontractors shall not deny the benefits thereof to any person on the basis of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), nor shall they discriminate unlawfully against any employee or applicant for employment because of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over



40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or use of family care leave. County 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, County 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 County services or works required of LAFCO by the State of California pursuant to agreement, state or federal regulations or statutes, 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 County and any of its subcontractors providing services under this Agreement shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other MOUs.

(b) **Documentation of Right to Work.** County agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of County 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. County shall make the required documentation available upon request to LAFCO for inspection.

(c) **Inclusion in Subcontracts.** To the extent any of the services required of County under this Agreement are subcontracted to a third party, County shall include the provisions of (a) and (b), above, in all such subcontracts as obligations of the subcontractor.

**12. INDEPENDENT CONTRACTOR.** County shall perform this Agreement as an independent contractor. While the County employee assigned to serve as the Executive Officer of LAFCO shall operate as an officer of LAFCO, County and its officers, agents and employees are not, and shall not be deemed, LAFCO employees for any purpose, including workers' compensation and employee benefits. County shall determine, at its own risk and expense, the method and manner by which duties imposed on County in general and its officers, agents and employees in particular by this Agreement shall be performed, provided, however, that LAFCO may monitor the work performed, and LAFCO rather than County shall be responsible for directing the actions of the Executive Officer of LAFCO when such person is acting on behalf of LAFCO. LAFCO shall not deduct or withhold any amounts whatsoever from the reimbursement paid to County, including, but not limited to amounts required to be withheld for state and federal taxes or employee benefits. County alone shall be responsible for all such payments.

**13. INDEMNIFICATION.** County and LAFCO shall each defend, indemnify and hold harmless each other as well as those of their respective officers, agents and employees who

perform any services or duties under this Agreement from any claims, loss or liability, including without limitation, those for personal injury (including death) or damage to property, arising out of or connected with any aspect of the performance by that party or its officers, agents, or employees, of the services or obligations required of that party under this Agreement.

Notwithstanding the foregoing, LAFCO shall defend, indemnify and hold harmless County from any claims, loss or liability, including those for personal injury (including death) or damage to property, arising out of or connected with any act or omission of the Executive Officer of LAFCO when such act or omission is the pursuant to specific direction by LAFCO.

**14. TERMINATION.** This Agreement may be terminated prior to the expiration date only with the mutual written consent of both County and LAFCO. The sole remedy for default by County relating to provision of the services required under this Agreement shall be through the equitable remedy of specific performance and the sole remedy for default by LAFCO relating to reimbursement for the cost of the services provided shall be through legal action for damages.

**15. WAIVER.** 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.

**16. 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, first class postage, prepaid; or by deposit in a sealed envelope in County's internal mail system, when available; or by fax transmission; or by electronic mail. Such notices shall be addressed as noted below, in accordance with the mode of communication selected or, where desired to be sent to a specific County department or division, at the address noted in the applicable Attachment. Either party may change its addresses by notifying the other party of the change. Any notice delivered in person shall be effective as of the date of delivery. Any notice sent by fax transmission or electronic mail shall be deemed received as of the recipient's next working day. Any notice sent by U.S. mail or County internal mail shall be deemed to have been received as of the date of actual receipt or five days following the date of deposit, which ever is earlier.

<b>LAFCO</b>	<b>County</b>
Mail: LAFCO Executive Officer 1804 Soscol Ave., Suite 205A Napa CA. 94559-1346	Napa County Executive Officer 1195 Third Street, Suite 310 Napa CA. 94559
Fax: (707) 251-1053	(707) 253-4176
E-Mail: dschwarz@napa.lafco.ca.gov	bchiat@co.napa.ca.us

**17. CONFIDENTIALITY.** Confidential information is defined as all information disclosed to either party by the other in the course of County's performance of services under this Agreement, where such information relates to that party's past, present, and future activities, as well as activities under this Agreement. Each party and its officers, agents and employees

providing services or performing activities under this Agreement shall use their best efforts to hold all such information as they may receive, if any, in trust and confidence, except with the prior written approval of each party's Executive Officer. Notwithstanding the foregoing, nothing in this Paragraph or Agreement shall be construed to abrogate the independent authority and responsibilities of the County, any of its elected or appointed officers and the members of their respective County departments or divisions.

**18. ASSIGNMENTS AND DELEGATION.** Neither party may delegate its obligations hereunder, either in whole or in part, without the prior written consent of the other party; provided, however, that obligations undertaken by County pursuant to this Agreement may be carried out by means of subcontract, provided such subcontracts are approved in writing by LAFCO, meet the requirements of this Agreement as they relate to the service or activity under subcontract, and include any other provision that LAFCO may require. No subcontract shall terminate or alter the responsibilities of either party pursuant to this Agreement. LAFCO may not assign its rights hereunder, either in whole or in part, without prior written consent of the County.

**19. AUTHORITY TO CONTRACT.** LAFCO and County each warrant hereby that they are respectively legally permitted and otherwise have the authority to enter into and perform this Agreement.

**20. 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.

**21. 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.

**22. AMENDMENT/MODIFICATION.** Except as otherwise provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties. Except where otherwise provided in this Agreement only LAFCO, through its Chair or, where permitted by law and LAFCO policy, through its Executive Officer, in the form of an amendment of this Agreement, may authorize extra or changed work if beyond the scope of services prescribed by this Agreement. Failure of County to secure such authorization in writing in advance of performing any such extra or changed work shall constitute a waiver of any and all rights to a corresponding adjustment in the reimbursement maximum or rates and no reimbursement shall be due and payable for such extra work.

**23. INTERPRETATION.** The headings used herein are for reference. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California. The venue for any legal action filed by either party in state Court to enforce any provision of this Agreement shall be Napa County, California. The venue for any legal action filed by either side in federal court to enforce 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.

**24. 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.

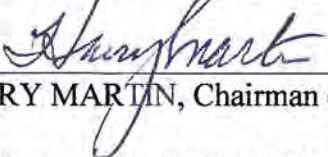
**25. DUAL REPRESENTATION.** LAFCO consents to the Napa County Counsel's dual representation of both the County and LAFCO with regards to the preparation of this Agreement.

**26. ENTIRE AGREEMENT.** This Agreement contains the entire and complete understanding of the parties and supersedes any and all other agreements, oral or written, with respect to the provision of administrative services under this Agreement.

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

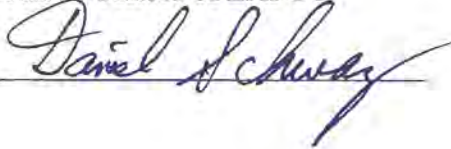
"LAFCO":

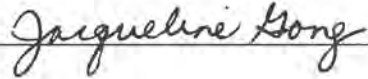
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

By   
HARRY MARTIN, Chairman of the Local Agency Formation Commission

ATTEST: DANIEL SCHWARZ,  
Executive Officer of LAFCO

APPROVED AS TO FORM:  
LAFCO Legal Counsel

By 

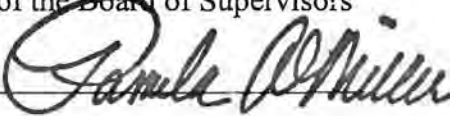
By 

"County":

COUNTY OF NAPA, a political subdivision of the State of California

By   
Mark Luce, Chair of the Board of Supervisors

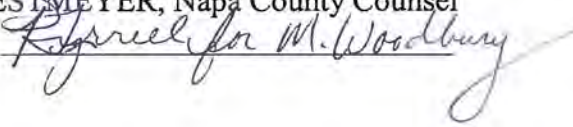
ATTEST: PAMELA A. MILLER,  
Clerk of the Board of Supervisors


By 

APPROVED BY THE BOARD  
OF SUPERVISORS:

Date 1-27-04

APPROVED AS TO FORM: ROBERT  
WESTMEYER, Napa County Counsel

By 

Processed by:   
Deputy Clerk of the Board

## ATTACHMENT A

### PROVISION OF STAFFING, INSURANCE, PURCHASING, ADMINISTRATION, SUPERVISION, COORDINATION AND MANAGEMENT ASSISTANCE SERVICES TO LAFCO BY THE NAPA COUNTY EXECUTIVE OFFICER

#### 1. SCOPE OF SERVICES

The Napa County Executive Officer (NCEO) shall provide, at a minimum, the following services to LAFCO under this Attachment:

(a) **Administration and Supervision:** NCEO shall administer and supervise all County departments or divisions providing services to LAFCO.

(b) **Purchasing:** Upon request by the LAFCO Executive Officer or his duly-authorized representatives, NCEO shall provide purchasing services for LAFCO, including solicitation and evaluation of proposals for goods and services, issuance of purchase orders and/or development of purchase agreements, and processing of payment upon receipt of the purchased good/services. LAFCO will abide by County purchasing policies and procedures when using such services, except that LAFCO, in lieu of the County Board of Supervisors, shall appropriate funds for and approve the acquisition of goods and services, including fixed assets. County shall purchase and provide LAFCO at cost with copier paper in the same manner as such material is purchased and supplied to County departments and divisions. Nothing in this section shall preclude LAFCO from purchasing goods or services without utilizing the services of NCEO or County.

(c) **Insurance:** NCEO shall obtain for LAFCO, its Commissioners, staff and operations the same type and level of insurance coverage provided by County for its own boards, commissions, staff and operations, and shall provide claims/litigation administration. General liability coverage shall be provided for LAFCO and its employees under County's currently existing self insurance and liability insurance program with LAFCO allocated and obligated to reimburse County for the portion of the total net premium as determined by County for the then current Fiscal Year . Workers' compensation coverage shall be obtained through County's carrier and program, with the cost thereof payable each pay period at the rate/\$100 of covered payroll for LAFCO Budget Unit employees as established by County's Board of Supervisors for the County workers' compensation program generally, including the costs of self-insurance, excess insurance coverage premiums, and claims management.

#### 2. STAFFING

In providing the above services, County shall provide LAFCO with the services of the following specific County staff or positions:

- **Administration and Supervision:** County Executive Officer and Assistant County Executive Officer

- **Coordination/Management:** Principal Management Analyst
- **Purchasing:** Purchasing Agent and/or Assistant Purchasing Agent.

3. **NCEO CONTACT:**

**Mail:** Napa County Executive Office  
Suite 310, Co. Admin. Bldg.  
1195 Third Street  
Napa, California 94559

**Fax:** (707) 253-4176

**Email:** [mstoltz@co.napa.ca.us](mailto:mstoltz@co.napa.ca.us)



## ATTACHMENT B

### PROVISION OF SERVICES TO LAFCO BY THE NAPA COUNTY AUDITOR-CONTROLLER

#### 1. SCOPE OF SERVICE

Under the financial and policy direction of LAFCO, County (through the Napa County Auditor-Controller, hereinafter referred to as "Auditor") shall provide LAFCO with the following services relating to LAFCO financial operations:

- Accounts payable, purchasing and contract payment processing services
- Accounts receivable (deposit) services
- Services relating to preparation, adoption and administration of LAFCO's budget
- Accounting services
- Payroll services
- Audit services upon request by LAFCO
- Assistance in determining the apportionment of costs and collection of payments in support of LAFCO pursuant to Government Code Section 56831.
- Audit services requested by LAFCO

#### 2. LEVEL AND MANNER OF SERVICE

The foregoing services shall be provided in accordance with the following provisions:

(a) The LAFCO Operations Fund shall be administered in accordance with all applicable provisions of the Government Code.

(b) All expenditures made from this Fund shall be made only at the direction of LAFCO's Executive Officer or designee with no requirement for approval by County's Board of Supervisors.

(c) At LAFCO's request, Auditor shall make diligent efforts to assist in the development of accounting policies and procedures that increase the efficiency and effectiveness of the administration of LAFCO, including policies and procedures including the electronic interchange of data and efforts to minimize reliance on County services.

(d) Auditor shall provide LAFCO with all requested revenue and expenditure information necessary to effectively manage LAFCO's fiscal affairs and perform all financial reporting to LAFCO and other applicable agencies. Such information shall be provided in a responsive and timely manner and include clear and concise cash flow reporting.

(e) All needed corrections to financial reports shall be completed within two working days of notification of Auditor. Auditor shall correct all payroll errors within one working day. For purposes of this Attachment B, "working days" shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m., County holidays excluded.

(f) Auditor shall provide all necessary equipment and electronic interface to fully utilize Auditor's financial systems, including electronic access to view and print all requested financial reports.

3. **AUDITOR CONTACT:**

Mail: Pamela Kindig  
Napa County Auditor-Controller  
1195 Third Street, Suite B-10  
Napa, California 94559

Fax: (707) 226-9065

E-mail: [pkindig@co.napa.ca.us](mailto:pkindig@co.napa.ca.us)

## ATTACHMENT C

### PROVISION OF LEGAL SERVICES TO LAFCO BY THE NAPA COUNTY COUNSEL

#### 1. SERVICES TO BE PROVIDED BY COUNTY COUNSEL

County, through the Napa County Counsel ("County Counsel"), shall provide legal services to LAFCO including, but not necessarily limited to, legal advice, document drafting, and representation of LAFCO in its operations pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.). County Counsel hereby designates Jacqueline M. Gong to serve as LAFCO Counsel for fiscal year 2003-2004. Upon written notification to and assent by the governing board of LAFCO, County Counsel may designate other attorney members of his office to serve as LAFCO Counsel.

#### 2. LEGAL SERVICES COUNTY COUNSEL SHALL NOT PROVIDE

County Counsel shall not provide legal services to LAFCO in the following situations, County and LAFCO understanding that in such situations LAFCO will obtain the necessary legal assistance at LAFCO's own expense from other legal counsel retained directly by LAFCO:

- Legal services to LAFCO regarding contracts to which LAFCO and County are both parties unless LAFCO's Executive Officer and Chair have given express written consent to dual representation of County and LAFCO by County Counsel.
- Legal services determined by LAFCO to present a conflict of interest for its LAFCO Counsel (in accordance with LAFCO Policy for the Appointment of Counsel).

#### 3. COUNTY COUNSEL CONTACT:

Mail: Napa County Counsel  
Suite 301, Co. Admin. Bldg.  
1195 Third Street  
Napa, California 94559

Fax: (707) 259-8245

Email: [rwestmey@co.napa.ca.us](mailto:rwestmey@co.napa.ca.us)

## **ATTACHMENT D**

### **PROVISION OF TELECOMMUNICATIONS, MAIL, INFORMATION TECHNOLOGY SERVICES AND RECORD MANAGEMENT SERVICES TO LAFCO BY THE NAPA COUNTY EXECUTIVE OFFICER**

#### **1. TELECOMMUNICATION SERVICES**

The Napa County Executive Officer, through the Communications Division shall provide LAFCO with installation, maintenance and repair of, and maintenance of service records and inventory for, all telecommunications equipment involved in any of the following systems used by LAFCO:

- telephone systems, including voice mail
- data cabling and terminations
- CCTV monitors and cameras
- intercom and PA systems
- all wireless communications, i.e. pagers, cellular phones, two way radios, security alarm systems

#### **2. MAIL SERVICES**

The Napa County Executive Officer shall provide the following mail services to LAFCO:

- Pickup, delivery of all interdepartmental (LAFCO) and County/LAFCO internal mail
- Pickup, metering and delivery to the Post Office of all LAFCO outgoing USPS mail

#### **3. RECORDS MANAGEMENT SERVICES FOR LAFCO RECORDS**

The Napa County Executive Officer, through the records management division, shall provide LAFCO with records management services for LAFCO records, including storage, retrieval and interfiling of LAFCO records at the Napa County Records Center; destruction of LAFCO records stored at the Napa County Records Center when such destruction is authorized by LAFCO; and shall assist LAFCO in developing policies and procedures that increase the efficiency and effectiveness by which LAFCO records are archived, retrieved and disposed.

#### **4. INFORMATION TECHNOLOGY SERVICES**

The Napa County Executive Officer, through the Information Technology Services (ITS) division, shall provide LAFCO with information technology services at a level at least equivalent to that by provided by County on February 15, 2001. The services shall include installation, maintenance, upgrades and repair of hardware and software provided by County to LAFCO, including, but not limited to: Geographic Information Systems, Financial Information Systems, Personnel Systems and the electronic mail service, calendaring, and task manager systems

maintained by the County. LAFCO shall have access to County's Helpdesk for information technology assistance and to computer training offered by County. Special projects outside the scope of routine information technology services shall be provided only upon request by LAFCO and prior approval by the Director of the Information Technology Services Division. Use of the systems, hardware, and software provided by County to LAFCO under this Attachment shall be subject to compliance by LAFCO and its officers, agents, employees and consultants with the Napa County Information Technology Use and Security Policy in effect at the time of the use.

**5. SUPPLIES AND EQUIPMENT TO BE DIRECTLY PURCHASED**

There shall be no separate reimbursement for supplies and equipment provided under this Attachment because LAFCO shall be responsible for directly purchasing any systems and equipment to be installed by the foregoing departments and divisions (other than fixtures which shall remain owned by County).

**6. NCEO/DIVISION CONTACT:**

Mail: Napa County Executive Officer  
Suite 310, Co. Admin. Bldg.  
1195 Third Street  
Napa, California 94559

Fax: (707) 253-4176

Email: [mstoltz@co.napa.ca.us](mailto:mstoltz@co.napa.ca.us)

## ATTACHMENT E

### PROVISION OF PERSONNEL SERVICES TO LAFCO BY THE HUMAN RESOURCES DIVISION OF THE NAPA COUNTY EXECUTIVE OFFICE

#### 1. SCOPE OF SERVICES

The Human Resources division ("HR") of the Napa County Executive Office shall provide the following services to LAFCO within the financial, personnel and policy guidelines established by the LAFCO Commission, so long as such guidelines are not in conflict with County personnel policies, rules and regulations. The HR Director shall act to oversee and carry out the following services upon direction by the LAFCO Commission:

- **Recruitment and selection:** shall include consultation regarding hiring procedures, advertising (costs of certain advertisements will be the responsibility of LAFCO), screening of applications, and development of a hiring list.
- **Personnel transactions:** shall include implementation of PARs (hires, releases, promotions, salary increases, etc.), benefit sign-ups and coordination (health, wellness program, dental, etc.); as authorized and directed by the LAFCO Commission, HR shall implement salary surveys and adjustments, job allocations, reclassifications, performance review processes, and changes (including increases) in personnel staffing appointed to serve LAFCO, so long as such implementation is consistent with and not in conflict with County policies and regulations. County agrees that the LAFCO Commission, as the appointing authority of the LAFCO Executive Officer, shall have the responsibility for evaluating the performance and setting compensation for the LAFCO Executive Officer.
- **Labor Relations:** shall include implementing salaries and other terms and conditions of compensation and performance established for LAFCO staff by the LAFCO Commission, so long as such implementation is consistent with and not in conflict with County policies and regulations; negotiations with employee union representatives regarding wages, hours, terms and conditions of employment; consultation and assistance with disciplinary and grievance issues; administration and coordination of worker's compensation cases.
- **Training:** shall include County workshops for employees and supervisors when attended at LAFCO direction by LAFCO employees or by County employees whose primary responsibilities involve providing services to LAFCO.
- **Staffing:** HR shall provide staffing as requested by LAFCO and agreed to by County, including staff as described in Paragraph 2 of the Agreement.

2. **HR CONTACT:**

Mail: Human Resources Director  
Suite 110, Co. Admin.Bldg.  
1195 Third Street  
Napa, California 94559

Fax: (707) 259-8189

Email: [dmorris@co.napa.ca.us](mailto:dmorris@co.napa.ca.us)

## **ATTACHMENT F**

### **PROVISION OF CLERKING SERVICES TO LAFCO BY THE CLERK OF THE NAPA COUNTY BOARD OF SUPERVISORS**

#### **1. SCOPE OF SERVICES**

As requested by the LAFCO Executive Officer, the Clerk of the Napa County Board of Supervisors ("COTB"), or her designee, shall serve as Clerk to the LAFCO Commission. Services shall include, but not be limited to, maintaining records of all LAFCO meetings, hearings and other proceedings and minutes for such proceedings as directed by LAFCO.

#### **2. COTB CONTACT:**

Mail: Pamela Miller  
Napa County Clerk of the Board of Supervisors/  
Rm. 310, Co. Admin. Bldg.  
1195 Third Street  
Napa, California 94559

Fax: (707) 253-4176

Email: pmiller @co.napa.ca.us



## ATTACHMENT G

### PROVISION OF SERVICES TO LAFCO BY THE NAPA COUNTY TREASURER-TAX COLLECTOR

#### 1. SERVICES TO BE PROVIDED

(a) The Napa County Treasurer-Tax Collector ("Treasurer") shall provide LAFCO with banking and investment services at a level of service at least equivalent to that provided to LAFCO during County fiscal year 2001-2002, except that bank processing services shall be provided by County's banking provider on a cost pass-through basis. The scope of services shall include:

- Banking services for LAFCO funds, including warrant processing and bank reconciliation.
- Portfolio Management for all LAFCO accounts, including receipt, safeguarding, investment and disbursement.

(b) The services shall be provided in accordance with the following provisions:

(1) Treasurer shall notify LAFCO within three (3) working days of receipt of all funds received and deposited into the LAFCO Operations Fund. For purposes of this Attachment, "working days" shall mean Monday through Friday, 8 a.m. to 5 p.m., County holidays excluded.

(2) LAFCO shall be permitted electronic access through County's PeopleSoft computerized systems to all reports detailing deposits received and interest earned. These reports shall specify amount and source of revenue, as well as the date of deposit.

#### 2. STAFFING TO BE PROVIDED

Treasurer the staffing in order to provide the foregoing services:

<u>Service</u>	<u>Position</u>
Banking Services	Account Clerk I-II
Portfolio Mgmt	Treas/Tax Collector Treasury Supervisor Senior Account Clerk Account Clerk II

#### 3. TREASURER CONTACT:

Mail: Marcia Humphrey Hull  
Napa County Treasurer-Tax Collector  
1195 Third Street, Room 108  
Napa, California 94559

Fax: (707) 253-4337

Email: [mhumphre@co.napa.ca.us](mailto:mhumphre@co.napa.ca.us)

## ATTACHMENT AA

### SERVICES REIMBURSEMENT RATES FOR FISCAL YEAR 2003-2004

#### **Services of the Napa County Executive Office:**

- Executive Officer's hourly rate: \$159.50
- Assistant Executive Officer's hourly rate: \$126.10
- Principal Management Analyst's hourly rate: \$ 81.12
- Assistant Purchasing Agent's hourly rate: \$ 55.70
- Telecommunications staff:
  - Hourly rate: \$ 58.73
  - Plus actual cost of materials
- Mail Service staff:
  - Hourly rate: \$ 49.39
  - Postage shall be recovered at cost.
- Records Management staff:
  - Hourly rate: \$ 49.39
  - Document Shredding is \$1.75 per box (1 cubic foot) plus \$0.10 per pound.
- Personnel (Human Resources) staff:
  - Human Resource Director: \$ 97.37
  - Human Resource Principal Analyst: \$ 75.81
  - Benefits Administrator: \$ 62.30
  - Other Human Resource Services;
    - Recruitment Advertisement shall be recovered at cost
    - Training services shall be prorated by the ratio of the attendees who are LAFCO employees or County employees primarily providing LAFCO services to the total number of attendees during each training hour for which reimbursement is sought.]
- Deputy Clerk of the Board's hourly rate: \$ 64.42

#### **Services of the County Auditor-Controller:**

1. Hourly labor rates, by position:
  - Auditor-Controller: \$ 96.00
  - Assistant Auditor-Controller (Step 5) \$ 91.00
  - Assistant Auditor-Controller (Step 1) \$ 74.00
  - Supervising Accountant-Auditor (Step 5 – CPA) Audits \$ 65.00
  - Supervising Accountant-Auditor (Step 5) Acctg. \$ 62.00
  - Accountant-Auditor III (Step 5) Acctg. \$ 56.00
  - Accountant-Auditor III (Step 4) Acctg. \$ 54.00
  - Accountant-Auditor II (Step 5) Acctg. \$ 54.00
  - Accountant-Auditor II (Step 3) Audits \$ 48.00
  - Accountant-Auditor I (Step 2) Acctg \$ 40.00

• Accounting Technician (Step 5) Acctg.	\$ 46.00
• Administrative Secretary I (Step 4) Adm.	\$ 35.00
2. <u>Weighted hourly labor rates by service:</u>	
• Administration	\$74.00
• Audits	\$53.00
• Accounting	\$52.00
3. <u>Unit Rates:</u>	
• Per Voucher	\$0.83
• Per Payroll Warrant	\$5.15
<b><u>Services of the County Counsel:</u></b>	
• Deputy County Counsel – Jacqueline Gong’s hourly rate:	\$107.15
<b><u>Services of the Treasurer-Tax Collector:</u></b>	
• Account Clerk II’s hourly rate:	\$ 37.55
• Treasurer/Tax Collector’s hourly rate:	\$114.87
• Treasury Manager’s hourly rate:	\$ 68.59
• Senior Account Clerk’s hourly rate:	\$ 40.91
<b><u>Services of Information Technology (annual rate):</u></b>	\$12,900.00

**AMENDMENT NO. 1 OF****NAPA COUNTY AGREEMENT NO. 4433  
LAFCO OF NAPA COUNTY AGREEMENT NO. 03-02****SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE  
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 1 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1st day of September, 2007, by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA") for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the scope of the information technology services provided under the MA and make corresponding changes in the compensation for such services, and to make technical corrections to the provisions relating to term and executive officer;

**TERMS**

**NOW, THEREFORE**, County and LAFCO hereby amend the Agreement as follows:

1. Paragraph 1 of the Agreement is hereby amended to read in full as follows:
  1. **TERM.** The term of this Agreement shall become effective on July 1, 2003 and shall expire on June 30, 2004, unless terminated earlier in accordance with Paragraph 14 (Termination); except that the obligations of the parties under Paragraph 8 (Indemnification) and 10 (Confidentiality) shall continue in full force and effect after the date of expiration or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement or any extension thereof. The term of this Agreement shall be automatically renewed for an additional year at the end of each fiscal year, under the terms and conditions then in effect, unless either party gives written notice to the other, no less than thirty (30) days prior to the end of the fiscal year, of that party's intention not to renew the Agreement. For purposes of this Agreement, "fiscal year" shall mean the year beginning on July 1 and ending on the succeeding June 30.

2. The first sentence of subparagraph (a) of Paragraph 2 of the Agreement is hereby amended to read in full as follows:

(a) Executive Officer. County shall designate and make available to LAFCO the services of an at-will employee of County for appointment by LAFCO as its LAFCO Executive Officer (hereinafter "Executive Officer").

3. Section 4 of Attachment D is hereby amended to read in full as follows for information technology services provided by County to LAFCO on and after September 1, 2007:

**4. INFORMATION TECHNOLOGY SERVICES**

County shall provide LAFCO with County personnel to perform the following information technology services and functions for LAFCO:

a. **In general.** County's ITS Department ("ITS") shall provide LAFCO with a total information technology support package. This includes technical support, development, technology evaluation, RFPs, project management and consulting services on an as needed basis during the term of this Agreement in order to provide a reliable, cost effective as well as innovative technology infrastructure. All service requests for existing products and services shall be managed through SRMS (Service Request Management Systems). Any requests for new products and services shall be handled through in ITS' normal project architecture for County ITS projects, but ITS shall create a requirements document for LAFCO approval prior to ITS performing any significant work on such new projects.

b. **Description of Specific Services:**

Countywide network connectivity: high-speed local area networking and wide area network digital access to each major County and LAFCO location.

Infrastructure support: data and phone wiring/cabling, full copper and fiber warranty/ troubleshooting, and repair/replacement service.

Network & Server Administration and Monitoring: 24/7 automated network monitoring with on call emergency technician to respond to critical service outages.

File Services: File system server storage space and management. IE, H: etc drives. Daily tape backup, fault tolerance, and data recovery services.

Desktop and Server Virus scanning: automated virus updates will be enabled to the desktop and servers. Monitoring of services for reliability, performance, and updates.

Print Services: Printer and print queue management.

Email/Scheduling Service: Includes Countywide (including LAFCO) Exchange/Outlook email and scheduling system, Remote WEB access, resource scheduling, Internet email connectivity, and countywide address book.

Security/Firewall Services: Firewall, proxy services, intrusion detection system, reporting system, and monitoring software on Windows 2000/2003 Servers.

Internet Access: High speed Internet access from all County and LAFCO facilities.

Enterprise Resource Planning (ERP): Access to PeopleSoft Financial and HRMS (Human Resource Management Systems), including time and labor, project costing, purchasing, etc.

Enterprise Content Management: Access to document management systems to manage digital content. This includes eform solutions to automate internal and external forms.

Remote Access: Remote modem dial-in, and Internet VPN (Virtual Private Network) access for mobile/remote workers and third party vendor support.

Helpdesk: Provide a dedicated full time person on Helpdesk phone from 7:00 a.m. to 5:00 p.m., Monday thru Friday. On call emergency technician available 24/7 via after-hours voice mail/pager. Expanded IS Helpdesk Intranet site for problem reporting, system status, product purchasing, training class registration and self-help resources.

Training Center: Dedicated 12 seat plus instructor PC training room. Fully multimedia with overhead projector, DVD and VCR for multimedia training/presentations. AGENCY can schedule and use the facility for any type of training/meetings/etc.

Internet site hosting and development: Hosting Services for Internet and Intranet Web Sites. Access to Chardonay for enterprise intranet, Sharepoint "My Site" for personalized information. Full backup and recover services, security, virus/phishing, and firewall services. WEB monitoring, filtering, reporting and statistics.

User Account administration: End user account setup and administration. Security and all core services accounts.

Access to Enterprise Systems and data: Property, permitting, recorded documents, code compliance, etc.

Server management and hosting services: Physical Server management, HW (Hardware) management, Operating System management, virus protection, version maintenance, patches, service packs, tape backup, disaster recovery, third party vendor coordination, uninterruptible battery backups, 24/7 SNMP (Simple Network Managed Protocol) monitoring and pager alarms.

Geographical Information Systems (GIS): Turn key GIS services including training, user support, and access to the enterprise spatial data warehouse and web applications. Limited map production services. Large-format plotters. Data hosting, management and distribution.

4. "Services of the Information Technology (annual rate)" of Attachment AA is hereby amended to read in full as follows:

**Services of Information Technology (annual rate):**

- a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that compensation of County by LAFCO for the information technology services provided by County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.
- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate (payable in advance on July 1)</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
Beginning 2007-2008*	\$16,387.00

- \* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may need to amend this Agreement to conform subsequent fiscal year compensation amounts beginning with Fiscal Year 2008-2009 to the above-referenced Cost Allocation Method or such other Method as the parties may have agreed to by amendment, or may amend this Agreement within Fiscal Year 2007-2008 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

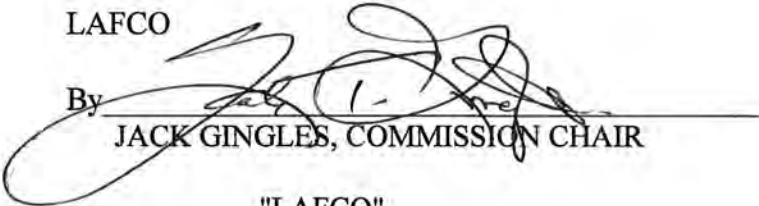


5. This Amendment No. 1 of the MA shall be effective as of September 1, 2007.

6. Except as provided in (1) through (5), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

**IN WITNESS WHEREOF**, the parties hereto have approved this Amendment No. 1 of Napa County Agreement No. 4433 through their duly authorized representatives as of the date first above written.

LAFCO

By  \_\_\_\_\_  
JACK GINGLES, COMMISSION CHAIR

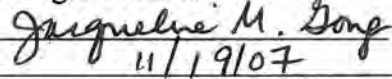
ATTEST:

"LAFCO"

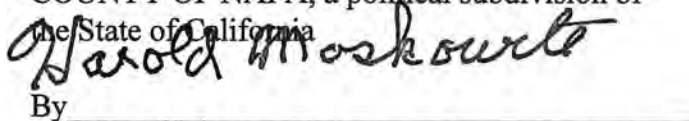
By \_\_\_\_\_

APPROVED AS TO FORM:

LAFCO Legal Counsel

By:   
Date: 11/19/07

COUNTY OF NAPA, a political subdivision of  
the State of California

  
By \_\_\_\_\_

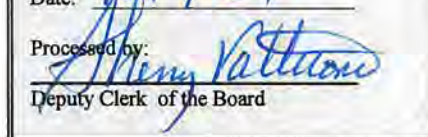
HAROLD MOSKOWITE, Chair of the Board of  
Supervisors

"County"

ATTEST: GLADYS I. COIL  
Clerk of the Board of Supervisors

By: 

**APPROVED AS TO FORM**  
Office of County Counsel  
  
By: Margaret L. Woodbury,  
Chief Deputy County Counsel  
(by e-signature)  
Date: August 31, 2007

**APPROVED BY THE NAPA COUNTY  
BOARD OF SUPERVISORS**  
Date: 12-4-07  
Processed by:   
Deputy Clerk of the Board

**ATTACHMENT BB****ITS COST ALLOCATION METHOD**

In 2001, the Napa County Board of Supervisors approved a comprehensive cost allocation method prepared by an independent auditing agency, Bartig, Basler & Ray, for the calculation of ITS charges. This method, used for all departments, is based on a formula that incorporates ten ITS functional categories and the client usage associated with them. These categories include: Network Services, Financials, Human Resources, CJIMS, Helpdesk, Departmental Services, Overhead, Administrative Services, Assigned Staff and Training. Usage charges are reviewed annually for the purpose of determining appropriate cost allocation.

ITS uses four factors in its cost allocation plan used to determine an Agency's share of the ITS budget:

- Number of agency personnel (# of Napa County payroll checks)
- Size of agency's last fiscal years expenditure
- Number of ITS managed agency personal computers
- Number of hours enhanced support for last fiscal year (usually application development of an agency specific program)

ITS collects and distributes its costs in the following service areas:

Service Area	Distribute Cost to	Cost Factor
Network Services-Communication lines and equipment, remote access, internet access, email, etc. and staff	All agencies	Number of personal computers
Financials-including PS intranet, budget module, etc. HW/SW and staff	All agencies who utilize financial services	Percentage of total budget
HR-HW/SW and staff	All agencies receiving Napa County payroll checks	Number of staff
CJIMS-HW/SW and staff	Criminal justice agencies	Number of PCs and staff
Help Desk-staff and supplies	All agencies	Number of PCs
Departmental Services-HW/SW and staff for non-Enterprise applications (Megabyte, HMS, etc.)	Individual agencies utilizing the application	Actual expenditures: material, services and labor
Overhead-non project/service related expenses (vacation, training, expenses, etc.)	All agencies	Number of PCs

Administrative Services-IT support activities: contracts, asset mgmt, policies, etc.	All agencies	Number of PCs
Assigned Staff-ITS staff assigned reporting to departmental locations	Agency where staff is assigned	Actual personnel cost
Training-Training room and instruction	All agencies	Number of staff

## Sample Cost Drivers and Calculations

Cost Drivers	County	Sample Agency
Number of PCs	1050	20
Staff	1400	25
Actual Expenditures	\$175,000,000	\$500,000
Departmental Services	n/a	40 hours
ITS Budget	\$6,000,000	n/a
Application Maintenance	\$250,000	n/a
Assigned Staff	\$250,000	0

## ITS Service Spread (Sample) in Hours (65,000 total)

Network Services	15,000
Financials	5,000
Human Resources	4,300
Criminal Justice Applications	4,500
Help Desk	10,000
Departmental Services	8,900
Training	1,800
Overhead	8,000
Administrative Services	7,500

Total dollars to spread = 6,000,000 - 250,000 (maintenance) - 250,000 (assigned) = \$5,500,000

## Sample Agencies ITS Charges

Service Area	Cost	Calculation
Network Services	\$24,175	15000hrs/65000hrs*20pc/1050pc15,500,000
Financials	\$12,088	5000hrs/65000hrs*\$500000/\$17500000015500000
HR	\$6,497	4300hrs/65000hrs*25fte/1400fte*\$5500000
Criminal Justice	\$0	
Help Desk	\$16,117	10000hrs/65000hrs*20pc/1050pc*\$5500000
Dept Services	\$3,385	40hrs/8900hrs*8900hrs/65000hrs15500000
Overhead	\$12,894	8000hrs/65000hrs*20pc/1050pc*\$5500000
Admin Services	\$12,088	7500hrs/65000hrs*20pc/1050pc15500000
Assigned Staff	0	
Training	\$2,720	1800hrs/65000hrs*25fte/1400fte15500000

Total ITS Charges=\$89,964

**AMENDMENT NO. 2 OF**

**NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 2 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1st day of July, 2008 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), subsequently amended on or about September 1, 2007, for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

**TERMS**

**NOW, THEREFORE**, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**
  - a. **Calculation of Annual Fee and Method of Payment.** The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of the applicable fiscal year or in monthly payments in arrears, each payment due on

or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
Beginning 2008-2009*	\$17,768.00

\* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2009-2010, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2008-2009 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

2. This Amendment No. 2 of the MA shall be effective as of July 1, 2008.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

**IN WITNESS WHEREOF**, this Amendment No. 2 of Napa County Agreement No.

////

4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By *Brad Wagenknecht*  
BRAD WAGENKNECHT, Chair of the Local Agency  
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,  
Executive Director/Clerk of LAFCO

"LAFCO"

By: *Keene Simonds*

APPROVED AS TO FORM:  
Commission Counsel  
By: Jacqueline M. Gong  
(By e-signature)  
Date: 5/23//08

COUNTY OF NAPA, a political subdivision of  
the State of California

By *Brad Wagenknecht*  
BRAD WAGENKNECHT, Chair of the Board of  
Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL  
Clerk of the Board of Supervisors

By: *Gladys I. Coil*

**APPROVED AS TO FORM**  
Office of County Counsel  
By: *Margaret L. Woodbury*,  
Chief Deputy  
(by e-signature)  
Date: May 23, 2008

**APPROVED BY THE NAPA COUNTY  
BOARD OF SUPERVISORS**  
Date: *6-17-08*  
Processed by: *Shen [Signature]*  
Deputy Clerk of the Board

**AMENDMENT NO. 3 OF  
NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 3 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1st day of July, 2009 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, and amended on June 17, 2008, for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

**TERMS**

**NOW, THEREFORE**, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. **Calculation of Annual Fee and Method of Payment.** The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of

the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
Beginning 2009-2010*	\$18,705.00

\* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2010-2011, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2009-2010 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

2. This Amendment No. 3 of the MA shall be effective as of July 1, 2009.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

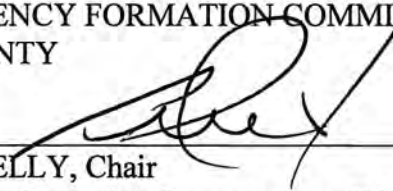
**IN WITNESS WHEREOF**, this Amendment No.3 of Napa County Agreement No.

//////



4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By   
BRIAN J. KELLY, Chair  
Local Agency Formation Commission of Napa County

ATTEST: KEENE SIMONDS,  
Executive Director/Clerk of LAFCO

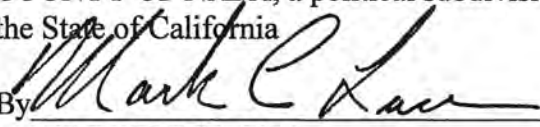
"LAFCO"

By: 

APPROVED AS TO FORM:  
Commission Counsel  
By: E-Signature Jackie Gong

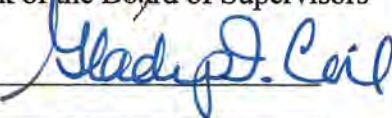
Date: 6/17/09

COUNTY OF NAPA, a political subdivision of  
the State of California


By   
MARK LUCE, Chair  
Napa County Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL  
Clerk of the Board of Supervisors

By: 

**APPROVED AS TO FORM**  
Office of County Counsel  
By: P. Tyrrell (by e-signature)  
Date: June 11, 2009

**APPROVED BY THE NAPA COUNTY  
BOARD OF SUPERVISORS**  
Date: 8-11-09  
Processed by:   
Deputy Clerk of the Board

**AMENDMENT NO. 4 OF**

**NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 3 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1st day of July, 2010 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, and amended on July 1, 2009 for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

**TERMS**

**NOW, THEREFORE**, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of

the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011*	\$14,945.00

\* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2010-2011, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2009-2010 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.


2. This Amendment No. 4 of the MA shall be effective as of July 1, 2010.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

**IN WITNESS WHEREOF**, this Amendment No.4 of Napa County Agreement No.

//////

4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By   
JULIANA INMAN, Chair of the Local Agency  
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,  
Executive Director/Clerk of LAFCO

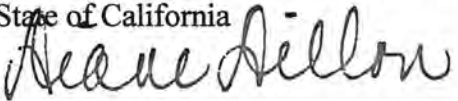
"LAFCO"

By: Jackie Gong (E-Signature)  
Date: 6/3/10

APPROVED AS TO FORM:  
Commission Counsel  
By:


Date:


COUNTY OF NAPA, a political subdivision of  
the State of California

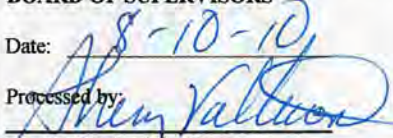
By   
DIANE DILLON, Chair  
Napa County Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL  
Clerk of the Board of Supervisors

By: 

**APPROVED AS TO FORM**  
Office of County Counsel  
By:   
Date: 8/9/10

**APPROVED BY THE NAPA COUNTY  
BOARD OF SUPERVISORS**  
Date: 8-10-10  
Processed by:   
Deputy Clerk of the Board

**AMENDMENT NO. 5 OF**

**NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 5 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1st day of July, 2011 by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, County and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, and amended on July 1, 2010 for the provision by County of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to County for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to County to provide such services;

**TERMS**

**NOW, THEREFORE**, County and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

a. Calculation of Annual Fee and Method of Payment. The parties acknowledge that reimbursement of County by LAFCO for the costs of providing the information technology services required of County under Section 4 of Attachment D of this Agreement are calculated utilizing the ITS Cost Allocation Method for County's own departments and agencies which was approved by the Napa County Board of Supervisors on June 19, 2001, a copy of which is attached to Amendment No. 1 of the Agreement as Attachment "BB". At the option of LAFCO, the Annual Fee shall be payable either in advance in a single payment due on or before July 1 of

the applicable fiscal year or in monthly payments in arrears, each payment due on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the Annual Fee then in effect.

- b. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00

\* Future Modifications. Notwithstanding the foregoing, it is anticipated that County and LAFCO may amend this Agreement, beginning with Fiscal Year 2011-2012, to conform subsequent fiscal year compensation amounts to the above-referenced Cost Allocation Method or such other Method as the parties may subsequently agree to by amendment, or may amend this Agreement within Fiscal Year 2010-2011 or any subsequent fiscal year during the term of this Agreement or extension thereof to reflect additional services requested by LAFCO.

2. This Amendment No. 5 of the MA shall be effective as of July 1, 2011.
3. Except as provided in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as originally approved.

**IN WITNESS WHEREOF**, this Amendment No.5 of Napa County Agreement No.

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4433 as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By *Bill Dodd*  
BILL DODD, Chairman of the Local Agency  
Formation Commission of Napa County

ATTEST: KEENE SIMONDS,  
Executive Director/Clerk of LAFCO

"LAFCO"

By: *Keene Simonds*

APPROVED AS TO FORM:  
Commission Counsel  
By: Jackie Gong (E-Signature)

Date: 3/28/11

COUNTY OF NAPA, a political subdivision of  
the State of California

By *Bill Dodd*  
BILL DODD, Chairman  
Napa County Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL  
Clerk of the Board of Supervisors

By: *Gladys I. Coil*

**APPROVED AS TO FORM**  
Office of County Counsel  
By: *Thomas S. Capriola*  
(by e-signature)  
Date: *March 28, 2011*

**APPROVED BY THE NAPA COUNTY  
BOARD OF SUPERVISORS**  
Date: *6-21-11*  
Processed by *Sherry Valtierra*  
Deputy Clerk of the Board

**AMENDMENT NO. 6  
NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 6 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1<sup>st</sup> day of July, 2012, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010 and amended on July 1, 2011 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the scope of the Information Technology Services provided under the MA and to modify annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

**TERMS**

**NOW, THEREFORE**, COUNTY and LAFCO hereby amend the Agreement as follows:

1. Section 4 of Attachment D is hereby amended to read in full as follows for those Information Technology Services and functions to be provided to LAFCO on and after July 1, 2012:

**4. INFORMATION TECHNOLOGY SERVICES**

COUNTY shall provide LAFCO with COUNTY personnel to perform the following services and functions for LAFCO, including access to the products and product licenses noted:

Napa County ITS shall provide a total information technology support package. This includes technical support, development, technology evaluation, RFPs, project management and consulting services on an as needed basis during the term of this Agreement in order to provide a reliable, cost effective as well as innovative technology infrastructure. All service requests for existing products and services shall be managed through SRMS (Service Request Management Systems) and request for new products and services in ITS project architecture. ITS shall create a requirements document for customer approval prior to ITS performing any significant work. Purchases of products or licenses for applications not noted in this Exhibit shall be made by LAFCO by separate agreement with COUNTY or third parties unless this Agreement is expressly amended to add such items to this Scope of Services.

**Included services:**

**Countywide network connectivity:** existing County local area networking and wide area network digital access to appropriate County location. COUNTY reserves the right to restrict internet access to appropriate uses. Examples of inappropriate uses included, but are not limited to, activities that would weaken the COUNTY's security or increases in the use of COUNTY bandwidth that results in impacts to COUNTY's services, including additional costs, slower



access to users of the COUNTY system, or impacts of similar magnitude. LAFCO is responsible for any cost associated with connection from LAFCO to COUNTY infrastructure (LAN/WAN).

**Infrastructure Support:** Troubleshooting and support of LAFCO access and use of COUNTY LAN/WAN.

**COUNTY Network & Server Administration and Monitoring:** 24/7 automated network monitoring with on call emergency technician to respond to critical service outages of COUNTY LAN/WAN.

**File Services:** File system server storage space and management. IE, H: etc drives. Daily tape backup of supported data and systems, fault tolerance, and data recovery services of all servers located at COUNTY Data Center(s).

**Desktop and Server Virus scanning:** Automated virus updates will be enabled to the COUNTY supported desktop and servers. Monitoring of services for reliability, performance, and updates.

**Print Services:** Printer and print queue management of COUNTY supported printers.

**Email/Scheduling Service:** Includes Countywide Exchange/Outlook email and scheduling system, Remote WEB access, resource scheduling, Internet email connectivity, and countywide address book.

**Security/Firewall Services:** Firewall, proxy services, intrusion detection system, reporting system, and monitoring software on COUNTY supported Servers.

**Internet Access:** Minimum 10/100 Internet access from appropriate COUNTY facilities (County Data Center to ISP). Access to the Internet will be restricted to business use only. Non business sites and activity including access to sites that may possibly contain improper content, deemed a security or privacy risk, or other such designations will be restricted.

**Enterprise Resource Planning (ERP):** Access to PeopleSoft Financial and HRMS (Human Resource Management Systems), including time and labor, project costing, purchasing, etc.

**Enterprise Content Management:** Access to document management systems to manage digital content. This includes eform solutions to automate internal and external forms.

**Remote Access:** Internet VPN (Virtual Private Network or other COUNTY ITS approved method) access for mobile/remote workers and limited access of third party vendor support. Remote access user must meet all COUNTY security and privacy policies and agreements and abide by its user defined processes and practices.

**Helpdesk:** Provide Helpdesk phone access from 7:00 a.m. to 5:00 p.m., Monday thru Friday. Limited on call phone access will be available 24/7 via after-hours via voice mail. COUNTY will provide a (non-emergency) IS Helpdesk Intranet site for problem reporting, system status, product purchasing, training class registration and self-help resources.

**Training Center:** Dedicated 16 seat plus instructor PC training room. Multimedia room with overhead projector for training/presentations. LAFCO can schedule and use the facility for any type of training/meetings/etc. Training courses and associated costs are not included in this agreement.

**Internet Site Hosting and Development:** Hosting Services for Napa 'ITS developed' Internet and Intranet Web Sites. Access to Chardonnay for enterprise intranet, SharePoint "My Site" for

personalized information. Full backup and recovery services, security, virus/phishing, and firewall services of Hosted Web Sites. WEB monitoring, filtering, reporting and statistics.

**User Account Administration:** End user account setup and administration within County Active Directory system. Security and all core services accounts.

**Access to Enterprise Systems and Data:** Property, permitting, recorded documents, code compliance, etc.

**Server management and hosting services for servers hosted at COUNTY Data Center(s):** Physical Server management, HW (Hardware) management, Operating System management, virus protection, version maintenance, patches, service packs, tape backup, disaster recovery, third party vendor coordination, uninterruptible battery backups, 24/7 SNMP (Simple Network Managed Protocol) monitoring.

**Geographical Information Systems (GIS):** Turnkey GIS services including training, user support, and access to the enterprise spatial data warehouse and web applications. Limited map production services. Large-format plotters. Data hosting, management and distribution.

**Pre-approval of Technology Purchases:** All LAFCO technology systems intended to be installed within COUNTY technology assets and supported by COUNTY must be reviewed and pre-approved by COUNTY prior to LAFCO purchase.

**Limitations to this agreement:** Services provided by COUNTY are limited to only those technologies that COUNTY is deemed capable and trained to provide and that is residing on or connected to the COUNTY network infrastructure. Any LAFCO technology assets not deemed to be sufficiently secure and not placed on COUNTY network will be excluded from this agreement. Additionally, any services, hardware, process, or system implemented by LAFCO that does not meet and/or comply with any 'in effect' standards and/or COUNTY prescribed best practices will be excluded from this agreement. COUNTY will, unilaterally, have final authority on any discussions regarding the meaning of any terms contained within this agreement.

**What is not included in the services contracted unless specifically addressed in the agreement and the cost allocation method:**

Because physical location is not at the discretion of the County Board of Supervisors, connectivity installation costs such as T-1 connection will be solely the responsibility of LAFCO.

COUNTY will not support nor install any non-COUNTY standard technology deployed by LAFCO independent from COUNTY ITS approval and acceptance.

LAFCO will not deploy non-COUNTY approved and/or non-COUNTY standard technology, software, database, peripheral devices, mobile device, wireless devices, or any other technology asset on COUNTY owned equipment without approval of COUNTY ITS. Any deviation from this requirement will be considered a material breach of this agreement.

Servers hosted at LAFCO or LAFCO servers that are non-COUNTY standard operating systems and applications will not be supported by COUNTY ITS nor will they be physically connected to COUNTY infrastructure without written approval from COUNTY ITS.

COUNTY ITS will disconnect and/or make any LAFCO device, software, or device/software configurations that attached to or communicate through the COUNTY network unusable if COUNTY ITS deems such action necessary to protect the security and/or integrity of COUNTY operational assets including any device or software that impact the operational status of COUNTY users, as a whole. This is at the sole discretion of COUNTY ITS.

COUNTY ITS does not service any non-COUNTY asset including non-COUNTY PC's and printers nor allow non-COUNTY assets to be physically connected to COUNTY infrastructure. ITS may supply LAFCO with software such as VPN or Terminal software that allows secure connection through the Internet to COUNTY network in support of the agreement.

Web sites developed and supported by outside vendors will not be allowed to be hosted on COUNTY Web servers.

LAFCO must provide their own DSL (or other type connection) outside of COUNTY network traffic for any bandwidth intensive processes or applications such as video conferencing.

Training course costs and other associated training costs are not included in this agreement.

LAFCO is responsible for all data and telecom wiring at their location. If COUNTY ITS is available to provide such services then materials and labor will be billed to LAFCO outside of this agreement.

2. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

**1. Services of Information Technology (annual rate):**

a. Background. County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of its budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning, Customer Management and Enterprise Architecture. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's PCs or FTE.

b. Payment. The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00


The Annual Fee for Fiscal Year 2013-2014 and thereafter shall remain \$22,009.00 until this Agreement is amended.

3. This Amendment No. 6 of the MA shall be effective as of July 1, 2012.

4. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.


IN WITNESS WHEREOF, this Amendment No. 6 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY**

By   
LEWIS CHILTON, Chair of the Agency Board

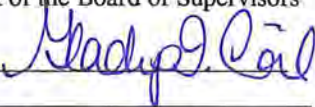
"LAFCO"

**COUNTY OF NAPA, a political subdivision of  
the State of California**


By   
KEITH CALDWELL, Chairman of the Board of  
Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,  
Clerk of the Board of Supervisors

By: 

<p><b>APPROVED AS TO FORM</b> Office of County Counsel By: <u>Thomas S. Capriola</u> Date: <u>May 25, 2012</u></p>
<p><b>APPROVED AS TO FORM</b> Commission Counsel By: <u>Jackie Gong</u> Date: <u>May 29, 2012</u></p>

<p><b>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</b> Date: <u>June 26, 2012</u> Processed by: <u></u> Deputy Clerk of the Board</p>
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**AMENDMENT NO. 7  
NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 7 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1<sup>st</sup> day of July, 2013, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010, July 1, 2011 and amended on July 1, 2012 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

**TERMS**

**NOW, THEREFORE**, COUNTY and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. **Background.** County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of its budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's

PCs or FTE.

b. Payment.

The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00
2013-2014	\$22,374.00

The Annual Fee for Fiscal Year 2014-2015 and thereafter shall remain \$22,374.00 until this Agreement is amended.

2. This Amendment No. 7 of the MA shall be effective as of July 1, 2013.

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3. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

IN WITNESS WHEREOF, this Amendment No. 7 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY**

By *Brad Wagenknecht*  
BRAD WAGENKNECHT, Chair of the Agency Board

"LAFCO"

**NAPA COUNTY, a political subdivision of  
the State of California**

By *Brad Wagenknecht*  
BRAD WAGENKNECHT, Chairman of the Board of  
Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,  
Clerk of the Board of Supervisors

By: *Gladys I. Coil*

**APPROVED AS TO FORM**  
Office of County Counsel  
By: *Thomas S. Capriola*  
Date: *March 4, 2013*

**APPROVED BY THE NAPA  
COUNTY  
BOARD OF SUPERVISORS**  
Date: *6/13/2013*  
Processed by: *[Signature]*  
Deputy Clerk of the Board

**APPROVED AS TO FORM**  
Commission Counsel  
By: *Yukui Song*  
Date: *6/3/13*

**AMENDMENT NO. 8  
NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY THE COUNTY OF NAPA TO THE LOCAL AGENCY  
FORMATION COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 8 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1<sup>st</sup> day of July, 2014, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.);

**RECITALS**

**WHEREAS**, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010, July 1, 2011, July 1, 2012 and amended on July 1, 2013 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

**TERMS**

**NOW, THEREFORE**, COUNTY and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:
  1. **Services of Information Technology (annual rate):**
    - a. **Background.** County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of its budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's



PCs or FTE.

b. Payment.

The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00
2013-2014	\$22,374.00
2014-2015	\$23,663.00

The Annual Fee for Fiscal Year 2015-2016 and thereafter shall remain \$23,663.00 until this Agreement is amended.

2. This Amendment No. 8 of the MA shall be effective as of July 1, 2014.

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3. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.


**IN WITNESS WHEREOF**, this Amendment No. 8 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

By   
BRIAN J. KELLY, Chair of the Agency Board


"LAFCO"

**NAPA COUNTY, a political subdivision of the State of California**

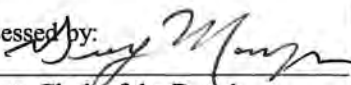
By   
MARK LUCE, Chairman of the Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,  
Clerk of the Board of Supervisors

By: 

**APPROVED AS TO FORM**  
Office of County Counsel  
By: Thomas S. Capriola  
Date: March 17, 2014

**APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS**  
Date: 6/10/14  
Processed by:   
Deputy Clerk of the Board

**APPROVED AS TO FORM**  
Commission Counsel  
By: Jackie Gong  
(E-Signature)  
Date: 3/18/14

**AMENDMENT NO. 9  
NAPA COUNTY AGREEMENT NO. 4433  
LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY NAPA COUNTY TO THE LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 9 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1<sup>st</sup> day of July, 2015, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY,, and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000et.seq.).

**RECITALS**

**WHEREAS**, on or about July 1, 2003, COUNTY and LAFCO entered into Napa County Agreement No. 4433 (hereinafter referred to as "MA"), amended on or about September 1, 2007, June 17, 2008, July 1, 2009, July 1, 2010, July 1, 2011, July 1, 2012, July 1, 2013 and amended on July 1, 2014 for the provision by COUNTY of support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rates of compensation to COUNTY for services provided by its Information Technology Services Department ("ITS") to reflect changes in the costs to COUNTY to provide such services;

**TERMS**

**NOW, THEREFORE**, COUNTY and LAFCO hereby amend the Agreement as follows:

1. The portion entitled "Services of Information Technology (annual rate)" of Attachment AA of the Agreement is hereby amended to read in full as follows:

1. **Services of Information Technology (annual rate):**

- a. **Background.** County allocates Internet Technology Service (ITS) costs to all of the County's internal departments each year as part of it budgeting process. The County performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. County then allocates ITS costs throughout the County's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that County shall

calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE County utilized for setting the County's own departmental budgets by the number of LAFCO's PCs or FTE.

b. Payment.

The Annual Fee shall be payable in arrears on or before the first of the month succeeding the month of service, with the payable monthly rate being 1/12 of the annual rate in effect on the first date of the month of service.

c. Amount of Annual Fee. The Annual Fee shall be as follows:

<u>Fiscal Year</u>	<u>Annual Rate</u>
2003-2004	\$12,900.00
2004-2005	\$12,999.96
2005-2006	\$13,377.96
2006-2007	\$17,799.00
2007-2008	\$16,387.00
2008-2009	\$17,768.00
2009-2010	\$18,705.00
2010-2011	\$14,945.00
2011-2012	\$20,261.00
2012-2013	\$22,009.00
2013-2014	\$22,374.00
2014-2015	\$23,663.00
2015-2016	\$24,052.00

The Annual Fee for Fiscal Year 2016-2017 and thereafter shall remain \$24,052.00 until this Agreement is amended.

2. This Amendment No. 9 of the MA shall be effective as of July 1, 2015.
3. Except as set forth in (1) through (2), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

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**IN WITNESS WHEREOF**, this Amendment No. 9 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**

By *Joan Bennett*  
JOAN BENNETT, Chair of the Agency Board

"LAFCO"

**NAPA COUNTY, a political subdivision of the State of California**

By *Diane Dillon*  
DIANE DILLON, Chair of the Board of Supervisors

"COUNTY"

ATTEST: GLADYS I. COIL,  
Clerk of the Board of Supervisors

By: *Gladys I. Coil, Deputy*

**APPROVED AS TO FORM**  
Office of County Counsel  
By: *Janice Killion (e-sign)*  
Date: March 10, 2015

**APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS**  
Date: *6/9/15*  
Processed by: *[Signature]*  
Deputy Clerk of the Board

**APPROVED AS TO FORM**  
Commission Counsel  
By: *Silva Darbinian (e-sign)*  
Date: *March 26, 2015*

Napa County Agreement No. 190289B

**AMENDMENT NO. 10**  
**NAPA COUNTY AGREEMENT NO. 4433**  
**LOCAL AGENCY FORMATION COMMISSION OF**  
**NAPA COUNTY AGREEMENT NO. 03-02**

**SUPPORT SERVICES BY NAPA COUNTY TO THE LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY**

**THIS AMENDMENT NO. 10 OF NAPA COUNTY AGREEMENT NO. 4433** is made and entered into as of this 1<sup>st</sup> day of July, 2018, by and between NAPA COUNTY, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY (hereinafter referred to as "LAFCO"), a local public agency formed pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000, *et seq.*).

**RECITALS**

**WHEREAS**, COUNTY and LAFCO entered in an agreement on or about July 1, 2003 – Napa County Agreement No. 4433 (hereinafter referred to as "MA") which has subsequently been amended on nine occasions – for COUNTY to provide support services needed for LAFCO's performance of its functions and responsibilities, including information technology services; and

**WHEREAS**, the parties now desire to amend the MA to modify the annual rate of compensation to COUNTY for services provided by its Information Technology Services Division ("ITS") to reflect changes in the costs to COUNTY to provide such services.

**TERMS**

**NOW, THEREFORE**, COUNTY and LAFCO hereby amend the MA as follows:

1. Section 4 of the MA is hereby amended to read in full as follows:

**4. REIMBURSEMENT**

(a) **Rates**. In consideration of County's fulfillment of the promised services and personnel, LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County and its departments and divisions in providing these services. The rates shall be determined and mutually agreed to by the parties in accordance with Attachment "AA" of the Agreement, including any and all amendments.

(b) **LAFCO Staffing Reimbursement**. LAFCO shall reimburse County for the salary and benefits of County staff primarily assigned to serve LAFCO, including any

increases in salary and benefits that County provides such staff during the term of this Agreement.

(c) **LAFCO-Requested Travel Expense Reimbursement.** LAFCO shall reimburse County for expenses incurred by County departments and divisions for travel by their assigned personnel when such travel has been requested by LAFCO in writing. Such reimbursement shall be in accordance with the travel expense policy approved by County's Board of Supervisors in effect on the date of the travel. Notwithstanding the foregoing, travel costs incurred through use of a County vehicle shall be reimbursed in accordance with the County Equipment Pool rates in effect at the time of the travel.

(d) **Bank Analysis Pass-through Charge.** LAFCO shall reimburse County on a pass-through basis for the costs incurred by County for bank charges relating to LAFCO activities.

(e) **General Liability Coverage/Workers' Compensation Coverage.** LAFCO shall reimburse County for general liability coverage and workers' compensation coverage at the rates established by County each fiscal year.

(f) **Adjustment for Additional LAFCO-Requested Services.** LAFCO shall reimburse County for the actual costs (including the costs of labor, equipment, supplies, materials, and incidental travel/transportation) incurred by County in providing any new or increased services requested by LAFCO. Such additions or increases in services shall be permitted only if approved in writing by the County Executive Officer and LAFCO Executive Officer, including approval of the applicable reimbursement rates.

2. The portion entitled "Services of Information Technology (annual rate)" of Attachment "AA" of the MA is hereby amended to read in full as follows:

**1. Services of Information Technology (annual rate):**

- a. **Annual Fee.** The Parties acknowledge that compensation of COUNTY under this Agreement is calculated utilizing the ITS Cost Allocation Method for COUNTY's own departments and agencies. On or before April 1 of each year during which the MA is in effect, COUNTY shall provide to LAFCO an invoice setting forth the Annual Fee for the following fiscal year. COUNTY allocates Internet Technology Service ("ITS") costs to all of COUNTY's internal departments each year as part of its budgeting process. COUNTY performs this task by breaking out all ITS costs – into subdivisions, which align with the major services being provided: Administration, Land Use Application, Network Operations, Development, Help Desk, Enterprise Resource Planning and Customer Management. COUNTY then allocates ITS costs throughout COUNTY's departments based on either the number of personal computers ("PCs") or full-time equivalent employees ("FTE"). It is the intent and understanding of the parties that COUNTY shall calculate LAFCO's Annual Fee by multiplying the total costs per PC or FTE COUNTY utilized for setting COUNTY's own departmental budgets by the number

of LAFCO's PCs or FTE.

b. Payment.

The Annual Fee shall be payable on or before the first of the month preceding the quarter of service, with the payable quarterly rate being 1/4 of the annual rate in effect on the first date of the quarter of service.

c. Future Modifications

(1) Procedure for Subsequent Annual Determination of Rates. During the fourth quarter of each fiscal year of this Agreement, the County Executive Officer, or designee, and the Executive Officer of LAFCO shall meet prior to adoption of the respective annual County and LAFCO budgets to determine and calculate the proposed rates for County staff and services to be furnished during the succeeding fiscal year. The rates shall be those necessary to achieve the cost reimbursement provided for in Paragraph 4(a) of the Agreement, subject to the additional factors set forth in Paragraph 4(b) through 4(f) of the Agreement. The annual adjustment of these reimbursement rates so determined shall be approved in writing by the County's Chief Information Officer and the Executive Officer of LAFCO. When so approved, these rates shall become effective for the subsequent fiscal year unless this Agreement is not renewed or otherwise terminated by the County and/or LAFCO.

(2) Modification of Annual Fee Only. The Parties agree and understand that the Annual Fee may fluctuate from fiscal year to fiscal. Based on this understanding, the Parties agree that the Annual Fee each fiscal year shall be determined by the formula specified in Paragraph (c)(1) of this Attachment. This annual fluctuation of the Annual Fee shall not alter, amend, negate, or otherwise affect any other provision or term of the MA, amendments to the MA, or any of the exhibits attached to the MA. Any amendment or alteration to any other provision or term of the MA, its amendments, and/or its exhibits must be done pursuant to Section 22 of the MA.

3. This Amendment No. 10 of the MA shall be effective as of July 1, 2018.

4. Except as set forth in (1) through (3), above, the terms and provisions of the MA shall remain in full force and effect as previously approved.

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SIGNATURE PAGE FOLLOWS

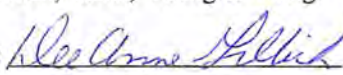
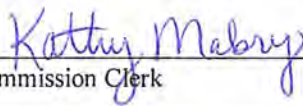


<sup>(new)</sup> **IN WITNESS WHEREOF**, this Amendment No. 10 of Napa County Agreement No. 4433 was executed by the parties hereto as of the date first above written.

LOCAL AGENCY FORMATION COMMISSION OF  
NAPA COUNTY

By   
MARGIE MOHLER, Chair of LAFCO

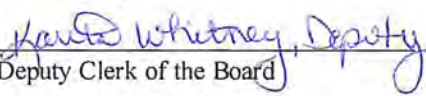
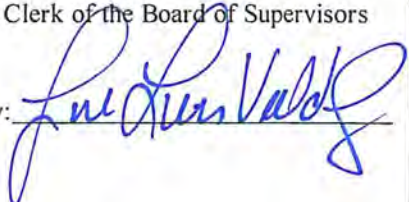
“LAFCO”

<p>APPROVED AS TO FORM Sloan, Sakai, Yeung &amp; Wong</p> <p>By: <u></u></p> <p>Date: <u>8/21/18</u></p>	<p>APPROVED BY LAFCO</p> <p>Date: <u>8/8/18</u></p> <p><u></u> Commission Clerk</p>	<p>ATTEST: BRENDON FREEMAN LAFCO Executive Officer</p> <p>By: <u></u></p>
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NAPA COUNTY, a political subdivision of  
the State of California

By   
~~BRAD WAGENKNECHT, Chair~~ Ryan Gregory,  
Board of Supervisors Vice Chair

“COUNTY”

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>John L. Myers (e-sign)</u> County Counsel</p> <p>Date: <u>7/13/18</u></p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: <u>9/11/18</u></p> <p>Processed By: <u></u> Deputy Clerk of the Board</p>	<p>ATTEST: JOSE LUIS VALDEZ Clerk of the Board of Supervisors</p> <p>By: <u></u></p>
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**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1754 Second Street, Suite C  
Napa, California 94559  
Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

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

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**Agenda Item 6a (Consent/Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Stephanie Pratt, Clerk/Jr. Analyst *SP*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Approval of Meeting Minutes: April 25, 2024 Special Meeting

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**SUMMARY AND RECOMMENDATION**

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

The Commission will consider approving the draft meeting minutes prepared by staff for the April 25, 2024 special meeting, included as Attachment 1.

Staff recommends approval of draft meeting minutes.

**ATTACHMENT**

- 1) Draft Minutes for April 25, 2024 Special Meeting

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
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  
SPECIAL MEETING MINUTES OF THURSDAY, APRIL 25, 2024**

**1. WELCOME AND CALL TO ORDER; ROLL CALL**

Chair Cottrell called a special meeting of April 25, 2024, to order at 2:05 P.M.  
At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Anne Cottrell, Chair	Joelle Gallagher	Brendon Freeman, Executive Officer
Kenneth Leary, Vice Chair	Eve Kahn	Dawn Mittleman, Longoria, Assistant Executive Officer
Margie Mohler	Mariam Aboudamous	<i>(Absent)</i>
Beth Painter	<i>(Absent)</i>	Gary Bell, Commission Counsel
Belia Ramos		Stephanie Pratt, Clerk/Jr. Analyst <i>(Absent)</i>

**2. PLEDGE OF ALLEGIANCE**

Commissioner Gallagher lead the Pledge of Allegiance.

**3. APPROVAL OF AGENDA**

Chair Cottrell asked if there were any requests to rearrange the agenda and asked that the record reflect this item is for today’s meeting, not the previous one. There were no requests and the agenda was approved by Chair Cottrell.

**4. PUBLIC COMMENTS**

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

**5. CONSENT ITEMS**

**Action Items:**

**a) Approval of Meeting Minutes: April 8, 2024 Special Meeting**

Upon motion by Commissioner Ramos and second by Commissioner Mohler, the consent item was approved by the following vote:

**VOTE:**

**AYES:** COTTRELL, LEARY, MOHLER, PAINTER, RAMOS  
**NOES:** NONE  
**ABSENT:** NONE  
**ABSTAIN:** NONE

**6. PUBLIC HEARING ITEMS****a) Proposed Budget for Fiscal Year 2024-25 and Draft Work Program (Continued from Special Meeting Held on Monday, April 8, 2024 at 10:00 a.m.)**

The Commission considered adopting a resolution to approve a proposed budget for the 2024-25 fiscal year. Proposed operating expenses and revenues each total \$853,574. The recommended actions are for the Commission to do the following:

- (1) adopt the proposed budget by resolution;
- (2) direct staff to circulate the proposed budget for public review and comment;
- (3) direct the Budget Committee to return with recommendations for a final budget for adoption at a noticed public hearing on June 3, 2024.

The Commission also considered a draft work program for fiscal year 2024-25.

Upon motion by Commissioner Ramos and second by Commissioner Painter, the three recommended actions were approved with a revision to the proposed budget reducing the Administration Services expenses and Intergovernmental revenues each by \$8,271 by the following vote:

**VOTE:**

**AYES:** COTTRELL, LEARY, MOHLER, PAINTER, RAMOS  
**NOES:** NONE  
**ABSENT:** NONE  
**ABSTAIN:** NONE

**7. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS**

Commissioner Mohler requested the Commission consider a workshop that includes legal counsel to consider the various aspects of going independent.

Chair Cottrell requested to look at how CALAFCO and other LAFCOs handle allowing alternates to attend closed sessions.

**8. ADJOURNMENT TO NEXT SCHEDULED MEETING**

The meeting was adjourned at 3:16 P.M. The next scheduled meeting is Monday, June 3, 2024, at 1:00 P.M. at the Yountville Town Hall Council Chambers, 6550 Yount Street, Yountville, CA 94599.

ATTEST:

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Anne Cottrell, LAFCO Chair

---

Brendon Freeman, Executive Officer

Prepared by:

---

Stephanie Pratt, Clerk/Jr. Analyst



**Local Agency Formation Commission of Napa County**  
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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

---

**Agenda Item 6b (Consent/Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *B F*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Budget Adjustment No. 2 for Fiscal Year 2023-24

---

**SUMMARY AND RECOMMENDATION**

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

It is recommended the Commission approve Budget Adjustment No. 2 for fiscal year 2023-24 as reflected in Attachment 1 and summarized below:

- Increase the FICA expense account (51305) by \$500. This increase is needed for payroll tax deductions associated with Commissioner per diems for meeting attendance and related LAFCO activities.
- Increase the Communications/Telephone expense account (52800) by \$2,000. This increase is needed to pay Napa Valley TV for public meeting recordings, which are charged at \$150 per hour. Notably, the Commission conducted two special meetings during the current fiscal year and several meetings have been lengthier than normal due to closed session items, which contributed to higher than anticipated demand for meeting recording services.
- Decrease the Training/Conference expense account (52900) by \$2,500. This account includes \$3,911 in remaining allocations that will not be spent during the current fiscal year. The \$2,500 decrease in this account will have no impact on the Commission or staff.

If approved, the Commission's newly adjusted budget is reflected in Attachment 2.

**ATTACHMENTS**

- 1) Budget Adjustment No. 2 for FY 2023-24
- 2) FY 2023-24 Budget with Adjustment No. 2

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

BUDGET ADJUSTMENT REQUEST  
Increase/Decrease Between Expenses

Fiscal Year: 2023-2024

Date: 06/03/24  
Department: LAFCO  
Prepared By: Brendon Freeman  
Phone: 707-259-8645

Board # (If Appl):  
Budget Journal ID:  
Journal Entry ID:  
Date Posted:

Fund	Sub-division	Program	Account Code	Account Description	Increase	Decrease
8400	8400000		51305	FICA	500.00	
8400	8400000		52800	Communications/Telephone	2,000.00	
8400	8400000		52900	Training/Conference		2,500.00
<b>Adjustment Totals</b>					2,500.00	2,500.00

Justification: Need to increase account 53105 to pay FICA tax for Commissioner per diems. Need to increase 52800 to pay for public meeting recordings by Napa Valley TV. Offsetting the increases with corresponding decrease in account 52900.

Department Authorization	CEO's Recommendation	Auditor-Controller	Board of Supervisor's Action
Budget Adjustment and Related Journal Entry, if applicable, reviewed and approved.  6/3/2024 Date	[ ] Approve _____ [ ] Disapprove _____ Date  Budget Adjustment is in Accordance with Board Resolution 03-112 ( >\$10,000 )  _____ County Executive Officer	Budget Adjustment and Related Journal Entry, if applicable, approved as to Accounting Form.  _____ Date	[ ] Approve _____ [ ] Disapprove _____ Date  Agenda Item
Department Head		Auditor-Controller	Clerk of the Board of Supervisors



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

**FY 2023-24 ADJUSTED BUDGET**

Adjustment No. 2 Presented on June 3, 2024

**Expenses**

**Salaries and Benefits**

<u>Account</u>	<u>Description</u>	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24 Adjusted Budget
		Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	
51210	Commissioner Per Diems	14,500	12,720	12,500	12,300	15,200	12,690	15,000
51300	Medicare - Commissioners	250	181	250	205	250	181	250
51305	FICA - Commissioners	500	512	500	525	500	583	1,100
<b>Total Salaries &amp; Benefits</b>		<b>15,250</b>	<b>13,413</b>	<b>13,250</b>	<b>13,030</b>	<b>15,950</b>	<b>13,454</b>	<b>16,350</b>

**Services and Supplies**

<u>Account</u>	<u>Description</u>	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24 Adjusted Budget
		Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	
52100	Administration Services	415,869	421,287	439,901	408,954	509,844	429,510	559,015
52125	Accounting/Auditing Services	7,500	6,593	7,500	6,847	7,500	7,742	7,500
52130	Information Technology Services	24,323	24,323	24,489	24,489	23,974	23,974	34,309
52131	ITS Communication Charges	-	-	1,837	1,837	1,685	1,692	2,000
52140	Legal Services	25,500	24,286	25,000	22,000	35,000	32,402	35,000
52310	Consulting Services	25,551	25,550	-	-	10,000	-	105,000
52345	Janitorial Services	300	225	300	150	300	150	300
52515	Maintenance-Software	1,930	1,929	1,930	1,930	1,930	629	3,062
52600	Rents and Leases: Equipment	5,500	3,220	4,000	2,784	4,000	2,740	3,500
52605	Rents and Leases: Building/Land	30,409	30,408	31,322	28,234	25,995	25,995	26,775
52700	Insurance: Liability	813	-	578	578	638	-	716
52800	Communications/Telephone	3,500	1,428	2,000	1,485	3,000	1,667	5,000
52830	Publications and Notices	1,500	814	1,000	1,100	1,000	1,282	750
52835	Filing Fees	50	100	200	150	200	-	150
52900	Training/Conference	989	200	10,000	-	15,000	8,937	12,500
52905	Business Travel/Mileage	1,000	-	500	-	1,000	-	3,000
53100	Office Supplies	1,250	1,179	1,000	400	1,000	1,282	2,000
53110	Freight/Postage	350	100	500	100	150	-	100
53115	Books/Media/Subscriptions	-	-	-	119	119	119	119
53120	Memberships/Certifications	3,060	3,060	2,934	2,934	3,078	3,078	3,332
53205	Utilities: Electric	1,500	1,389	1,500	1,950	2,000	1,540	2,400
53410	Computer Equipment/Accessories	-	-	-	38	-	-	571
53415	Computer Software/License	-	150	225	225	225	-	225
53650	Business Related Meal/Supplies	500	122	250	33	-	316	760
<b>Total Services &amp; Supplies</b>		<b>551,394</b>	<b>546,363</b>	<b>556,966</b>	<b>506,337</b>	<b>647,638</b>	<b>543,055</b>	<b>808,084</b>
<b>EXPENSE TOTALS</b>		<b>566,644</b>	<b>559,776</b>	<b>570,216</b>	<b>519,367</b>	<b>663,588</b>	<b>556,509</b>	<b>824,434</b>

**Revenues**

		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24
		Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Adjusted Budget
<b>Intergovernmental</b>								
<u>Account</u>	<u>Description</u>							
43910	County of Napa	242,700	242,700	254,835	254,835	313,794	313,794	339,738
43950	Other Governmental Agencies	242,700	242,700	254,835	254,835	313,794	313,794	339,738
----	<i>City of Napa</i>	162,800	162,800	166,432	166,432	207,969	207,969	222,680
----	<i>City of American Canyon</i>	41,166	41,166	45,843	45,843	56,307	56,307	61,235
----	<i>City of St. Helena</i>	15,159	15,159	18,608	18,608	20,381	20,381	22,609
----	<i>City of Calistoga</i>	14,515	14,515	13,976	13,976	16,885	16,885	20,342
----	<i>Town of Younville</i>	9,060	9,060	9,976	9,976	12,252	12,252	12,872
	<b>Total Intergovernmental</b>	485,400	485,400	509,670	509,670	627,588	627,588	679,476
<b>Service Charges</b>								
<u>Account</u>	<u>Description</u>							
42690	Application/Permit Fees	21,060	37,356	20,000	25,450	25,000	30,110	22,950
46800	Charges for Services	624	593	600	1,074	1,000	2,667	510
47900	Miscellaneous	-	-	-	2,845	4,000	-	-
	<b>Total Service Charges</b>	21,684	37,949	20,600	29,369	30,000	32,777	23,460
<b>Investments</b>								
<u>Account</u>	<u>Description</u>							
45100	Interest	12,000	6,817	10,000	5,700	6,000	7,243	6,500
	<b>Total Investments</b>	12,000	6,817	10,000	5,700	6,000	7,243	6,500
	<b>REVENUE TOTALS</b>	519,084	530,166	540,270	544,739	663,588	667,608	709,436

**OPERATING DIFFERENCE** (47,560) (29,610) (29,946) 25,372 0 111,099 (114,998)

**Reserves**

	2020-21	2021-22	2022-23	2023-24
<b>Undesignated/Unreserved Fund Balance ("Reserves")</b>				
Beginning:	329,616	300,006	325,378	456,134
Ending:	300,006	325,378	436,477	341,136
<b>MINIMUM FOUR MONTH RESERVE GOAL</b>	188,881	190,072	221,196	274,811





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

1754 Second Street, Suite C  
Napa, California 94559  
Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

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

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**Agenda Item 6c (Consent/Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer B F

**MEETING DATE:** June 3, 2024

**SUBJECT:** Rescind Resolution No. 2023-11

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**SUMMARY AND RECOMMENDATION**

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

It is recommended the Commission rescind LAFCO Resolution No. 2023-11 Approving a Salary Adjustment to the Executive Officer's Compensation Effective October 14, 2023.

This resolution was adopted before the Commission had complete information from Napa County related to making changes to established employee compensation formulas. After the resolution was adopted, the County has separately addressed the compensation issues with the Executive Officer and therefore this resolution is no longer needed or accurate. Therefore, staff recommends the Commission rescind this resolution.

**ATTACHMENT**

- 1) LAFCO Resolution No. 2023-11

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

**RESOLUTION NO. 2023-11**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
APPROVING A SALARY ADJUSTMENT TO THE EXECUTIVE OFFICER'S  
COMPENSATION EFFECTIVE OCTOBER 14, 2023**

**WHEREAS**, the Local Agency Formation Commission of Napa County (“Commission”) hires an Executive Officer to serve at the Commission’s pleasure;

**WHEREAS**, the Commission hired Brendon Freeman to be the Commission’s Executive Officer effective July 4, 2015, with a salary of \$102,419 per year consistent with step 1 of the salary schedule along with the standard benefits provided to the County of Napa’s “Management Non-Classified (Other)” employees;

**WHEREAS**, on August 3, 2015, the Commission approved an increase to the Executive Officer’s salary based on the results of a duly noticed performance evaluation to \$103,000 per year effective July 18, 2015;

**WHEREAS**, on July 1, 2016, the Executive Officer’s salary increased to \$106,246 per year as a result of a cost of living adjustment;

**WHEREAS**, on August 1, 2016, the Commission approved an increase to the Executive Officer’s salary based on the results of a duly noticed performance evaluation to \$111,571 per year consistent with step 2 of the salary schedule and effective July 2, 2016;

**WHEREAS**, on July 1, 2017, the Executive Officer’s salary increased to \$116,043 per year as a result of a cost of living adjustment;

**WHEREAS**, on July 1, 2018, the Executive Officer’s salary increased to \$120,682 per year as a result of a cost of living adjustment;

**WHEREAS**, on October 1, 2018, the Commission approved an increase to the Executive Officer’s salary based on the results of a duly noticed performance evaluation to \$126,693 per year consistent with step 3 of the salary schedule and effective July 1, 2018;

**WHEREAS**, on July 1, 2019, the Executive Officer’s salary increased to \$129,230 per year as a result of a cost of living adjustment;

**WHEREAS**, on October 7, 2019, the Commission approved an increase to the Executive Officer’s salary based on the results of a duly noticed performance evaluation to \$135,720 per year consistent with step 4 of the salary schedule and effective July 1, 2019;

**WHEREAS**, on July 1, 2021, the Executive Officer’s salary increased to \$142,480 per year as a result of a cost of living adjustment;

**WHEREAS**, on October 4, 2021, the Commission approved an increase to the Executive Officer's salary based on the results of a duly noticed performance evaluation to \$148,179 per year consistent with step 5 of the salary schedule and effective July 1, 2021;

**WHEREAS**, on July 1, 2022, the Executive Officer's salary increased to \$160,359 per year as a result of an equity adjustment and a cost of living adjustment;

**WHEREAS**, on July 1, 2023, the Executive Officer's salary increased to \$165,318 per year as a result of a cost of living adjustment;

**WHEREAS**, the Commission has conducted a duly noticed performance evaluation of the Executive Officer which commenced in July of 2023, and was noticed for closed session consideration by the Commission at its August 7, 2023 regular meeting and September 11, 2023 special meeting;

**NOW, THEREFORE, BE IT RESOLVED** that the Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER**, the Executive Officer shall receive a performance-based increase of 3.5% and an additional cost-of-living adjustment of 3.5% to his current salary of \$165,359 effective October 14, 2023, which shall establish an annual salary of \$176,934.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on October 2, 2023, after a motion by Commissioner Painter, seconded by Commissioner Cottrell, by the following vote:

AYES:	Commissioners	<u>MOHLER, COTTRELL, LEARY, PAINTER</u>
NOES:	Commissioners	<u>NONE</u>
ABSENT:	Commissioners	<u>RAMOS</u>
ABSTAIN:	Commissioners	<u>NONE</u>

Margie Mohler

Margie Mohler (Oct 5, 2023 08:21 PDT)

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Margie Mohler  
Commission Chair

ATTEST: Brendon Freeman  
Brendon Freeman  
Executive Officer

Recorded by: Stephanie Pratt  
Clerk/Jr. Analyst



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**Agenda Item 6d (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Stephanie Pratt, Clerk/Jr. Analyst *SP*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Third Quarter Budget Report for Fiscal Year 2023-24

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**SUMMARY**

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

Consistent with local policy, the Commission will receive a third quarter budget report that shows all budgeted and actual operating revenue and expense accounts for the 2023-24 fiscal year through March 31, 2024, included as Attachment 1.

It is important to note that some significant expenses have not yet posted and therefore are not reflected in Attachment 1. Most notably, third quarter Administration Services (account 52100) only reflect expenses through the end of the second quarter ending December 31, 2023. This is due to the timing of Napa County's financial accounting system. Actual expenses incurred during the third quarter for Administration Services will be charged to the Commission in the foreseeable future.

When the year is closed, all year-end numbers will be finalized and presented to the Commission at its December 2, 2024 regular meeting as part of the annual audit report.

**ATTACHMENT**

- 1) FY 2023-24 Revenue & Expense Report through March 31, 2024

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*



# Statement of Revenues and Expenses Budget vs. Actual

Fiscal Year: 2024 Through Period: 09

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
<b>License, Permits and Franchises</b>							
42690 - Permits Other/Application Fees	22,950.00	-	22,950.00	-	34,730.00	(11,780.00)	151.33 %
<b>Total License, Permits and Franchises</b>	<b>22,950.00</b>	<b>-</b>	<b>22,950.00</b>	<b>-</b>	<b>34,730.00</b>	<b>(11,780.00)</b>	<b>151.33 %</b>
<b>Intergovernmental Revenues</b>							
43910 - County of Napa	339,738.00	-	339,738.00	-	339,738.00	-	100.00 %
43950 - Other - Governmental Agencies	339,738.00	-	339,738.00	-	339,738.00	-	100.00 %
<b>Total Intergovernmental Revenues</b>	<b>679,476.00</b>	<b>-</b>	<b>679,476.00</b>	<b>-</b>	<b>679,476.00</b>	<b>-</b>	<b>100.00 %</b>
<b>Revenue from Use of Money and Property</b>							
45100 - Interest	6,500.00	-	6,500.00	-	15,650.74	(9,150.74)	240.78 %
<b>Total Revenue from Use of Money and Property</b>	<b>6,500.00</b>	<b>-</b>	<b>6,500.00</b>	<b>-</b>	<b>15,650.74</b>	<b>(9,150.74)</b>	<b>240.78 %</b>
<b>Charges for Services</b>							
46800 - Charges for Services	510.00	-	510.00	-	4,150.00	(3,640.00)	813.73 %
<b>Total Charges for Services</b>	<b>510.00</b>	<b>-</b>	<b>510.00</b>	<b>-</b>	<b>4,150.00</b>	<b>(3,640.00)</b>	<b>813.73 %</b>
<b>Salaries and Employee Benefits</b>							
51210 - Director/Commissioner Pay	15,000.00	-	15,000.00	-	11,100.00	3,900.00	74.00 %
51300 - Medicare	250.00	-	250.00	-	160.95	89.05	64.38 %
51305 - FICA	600.00	-	600.00	-	678.90	(78.90)	113.15 %
<b>Total Salaries and Employee Benefits</b>	<b>15,850.00</b>	<b>-</b>	<b>15,850.00</b>	<b>-</b>	<b>11,939.85</b>	<b>3,910.15</b>	<b>75.33 %</b>

Fund: 8400 - Local Agency Formation Comm

Object	Budget			Encumbrances	Actuals	Available Budget	% of Budget
	Adopted	Adjustments	Revised				
<b>Services and Supplies</b>							
52100 - Administration Services	548,598.00	10,417.00	559,015.00	-	256,834.57	302,180.43	45.94 %
52125 - Accounting/Auditing Services	7,500.00	-	7,500.00	-	7,376.25	123.75	98.35 %
52130 - Information Technology Svcs	34,309.00	-	34,309.00	-	26,871.75	7,437.25	78.32 %
52131 - ITS Communication Charges	2,000.00	-	2,000.00	-	1,500.00	500.00	75.00 %
52140 - Legal Services	35,000.00	-	35,000.00	9,848.58	26,386.24	(1,234.82)	103.53 %
52310 - Consulting Services	105,000.00	-	105,000.00	82,753.84	20,661.55	1,584.61	98.49 %
52345 - Janitorial Services	300.00	-	300.00	300.00	-	-	100.00 %
52515 - Maint - Software	3,062.00	-	3,062.00	1,762.00	1,762.00	(462.00)	115.09 %
52600 - Rents/Leases - Equipment	3,500.00	-	3,500.00	674.86	2,436.36	388.78	88.89 %
52605 - Rents/Leases - Buildings/Land	26,775.00	-	26,775.00	4,625.00	22,150.00	-	100.00 %
52700 - Insurance - Liability	716.00	-	716.00	-	-	716.00	0.00 %
52800 - Communications/Telephone	3,000.00	-	3,000.00	337.50	2,532.30	130.20	95.66 %
52830 - Publications and Legal Notices	750.00	-	750.00	-	489.16	260.84	65.22 %
52835 - Filing Fees	150.00	-	150.00	-	100.00	50.00	66.67 %
52900 - Training/Conference Expenses	15,000.00	-	15,000.00	-	6,637.00	8,363.00	44.25 %
52905 - Business Travel/Mileage	3,000.00	-	3,000.00	-	96.94	2,903.06	3.23 %
53100 - Office Supplies	2,000.00	-	2,000.00	-	1,192.26	807.74	59.61 %
53110 - Freight/Postage	100.00	-	100.00	-	-	100.00	0.00 %
53115 - Books/Media/Subscriptions	119.00	-	119.00	-	-	119.00	0.00 %
53120 - Memberships/Certifications	3,332.00	-	3,332.00	-	3,332.00	-	100.00 %
53205 - Utilities - Electric	2,400.00	-	2,400.00	-	1,389.67	1,010.33	57.90 %
53410 - Computer Equipment/Accessories	-	571.00	571.00	-	-	571.00	0.00 %
53415 - Computer Software/Licnsng Fees	225.00	-	225.00	-	-	225.00	0.00 %
53650 - Business Related Meals/Supply	260.00	500.00	760.00	-	529.28	230.72	69.64 %
<b>Total Services and Supplies</b>	<b>797,096.00</b>	<b>11,488.00</b>	<b>808,584.00</b>	<b>100,301.78</b>	<b>382,277.33</b>	<b>326,004.89</b>	<b>59.68 %</b>



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**Agenda Item 6e (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Stephanie Pratt, Clerk/Jr. Analyst *SP*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Current and Future Proposals

**SUMMARY**

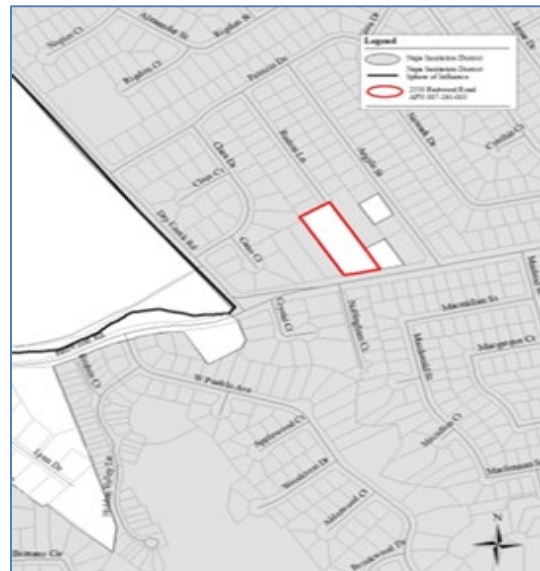
This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

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

**Active Proposals**

**Redwood Road/Ruston Lane Annexation to NSD**

LAFCO has received a landowner petition to annex approximately 1.59 acres of incorporated territory to the Napa Sanitation District (NSD). The affected territory comprises one parcel located at 2550 Redwood Road in the City of Napa. The parcel is identified as Assessor Parcel Number 007-261-003. The purpose of the proposal is to comply with City of Napa conditions of approval for a tentative map subdivision. The proposal is on today’s agenda as item 8a.



Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

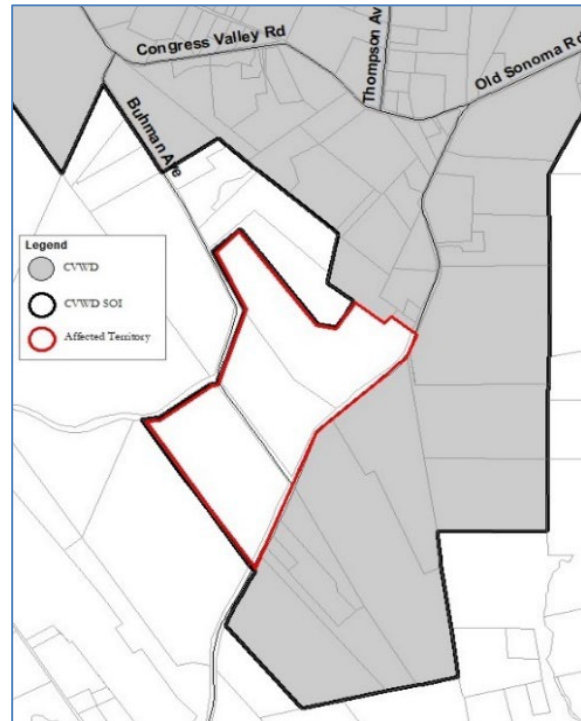
Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

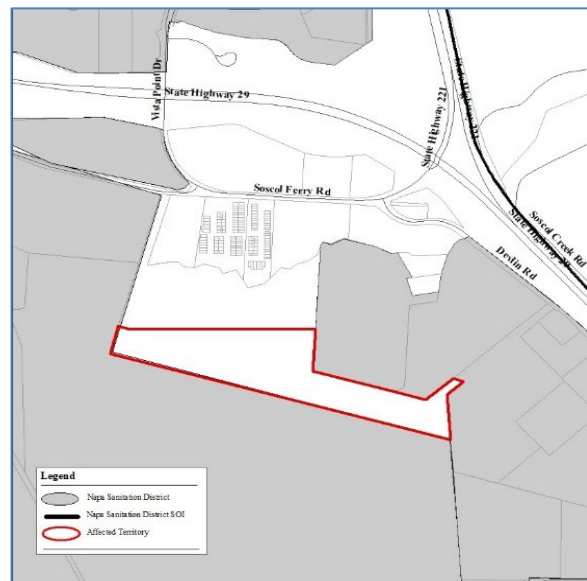
### Old Sonoma Road/Buhman Avenue Annexation to CVWD

A landowner previously submitted a proposal to annex three unincorporated parcels totaling approximately 141.5 acres in size to the Congress Valley Water District (CVWD). The parcels are located along the northwestern side of Old Sonoma Road at its intersection with Buhman Avenue and identified as APNs 047-030-005, 047-030-020, and 047-080-001. Current land uses include two single-family residences and commercial vineyards with auxiliary structures and facilities. Two of the parcels already receive water service through grandfathered outside service agreements. Annexation would establish permanent water service to all three parcels. CVWD has requested, and the landowners have agreed, to postpone LAFCO action. There is no current timetable.



### Devlin Road No. 6 Annexation to NSD

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

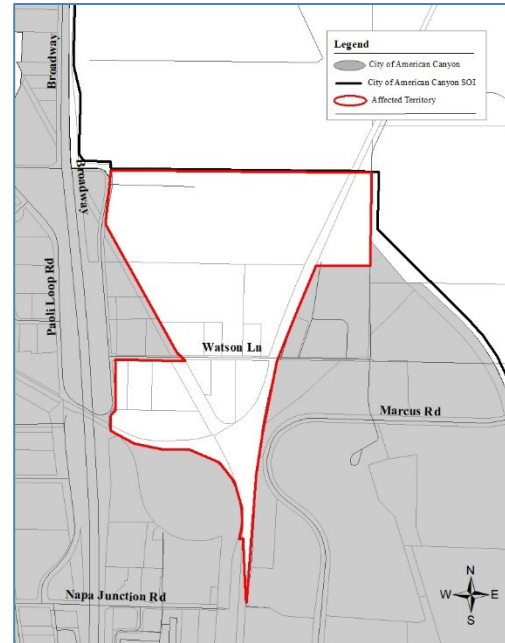




### **Anticipated Proposals**

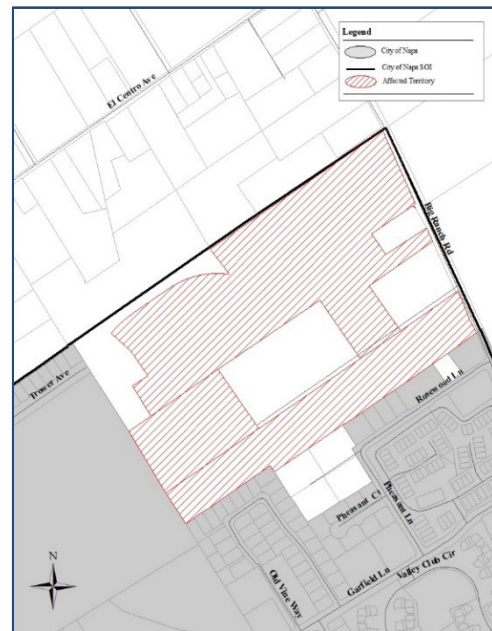
#### **Watson Lane/Paoli Loop Annexation to the City of American Canyon**

A landowner submitted a preliminary application to annex 16 parcels and a portion of railroad totaling approximately 83 acres of unincorporated territory. The area is located within the City's SOI near Watson Lane and Paoli Loop and identified as APNs 057-120-014, -015, -017, -028, -034, -036, -041, -045, -047, -048, -049, -050, & -051, 057-180-014 & -015, and 059-020-036. The purpose of annexation is to allow development of the area for industrial and residential purposes as well as help facilitate the extension of Newell Drive to South Kelly Road. The City of American Canyon, as lead agency under CEQA, certified a Final Environmental Impact Report for the Paoli/Watson Lane Annexation Project. It is anticipated a complete application for annexation will be submitted in the next two weeks and the proposal will be on the Commission's August meeting agenda for formal action.



#### **Big Ranch Road/Trower Avenue Annexation to the City of Napa**

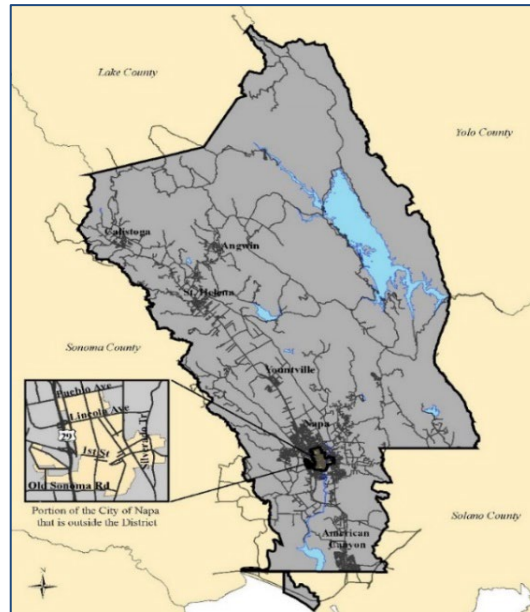
A landowner has submitted a preliminary application to the City of Napa for the annexation of three unincorporated parcels totaling approximately 46 acres. The parcels are located within the City's SOI near Big Ranch Road and Trower Avenue and identified as APNs 038-240-005, -014, & -022. Annexation to the City would allow the parcels to be developed consistent with the City's adopted Big Ranch Road Specific Plan. Annexation to NSD will also be recommended consistent with LAFCO policies. The preliminary application is under review by the City and considered incomplete at this time. Notably, the annexation as proposed can't be approved due to a statutory provision that prohibits the creation of new, entirely surrounded islands.<sup>1</sup> It is anticipated a proposal for annexation will be submitted to LAFCO in the foreseeable future, but there is no specific timetable.



<sup>1</sup> See [California Government Code §56744](#).

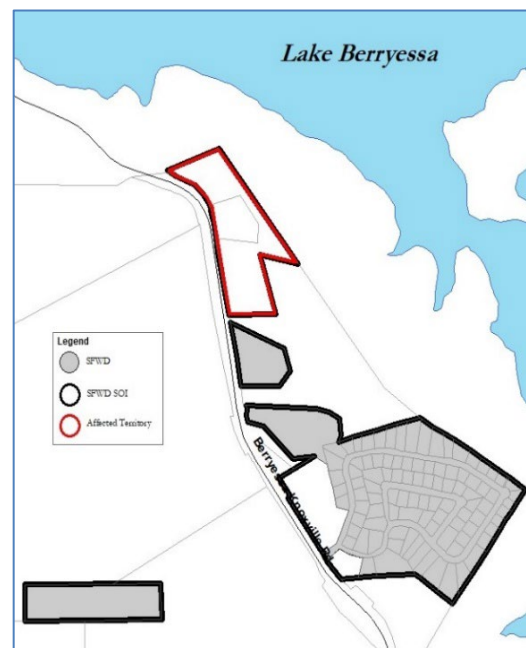
### NCRCDD Donut Hole Annexation

Staff from the Napa County Resource Conservation District (NCRCDD) 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 NCRCDD’s SOI but outside its jurisdictional boundary and is commonly referred to as a “donut hole”. The purpose of annexation would be to allow NCRCDD to expand its service programs and hold public meetings within the affected territory; activities that are currently prohibited within the area. In February 2020, the Commission approved a request for a waiver of LAFCO’s proposal processing fees. The Commission recently completed a Municipal Service Review for NCRCDD that includes a recommendation for the District to annex the donut hole. It is anticipated a proposal for annexation will be submitted in the foreseeable future, but there is no specific timetable.



### 7140 & 7150 Berryessa-Knoxville Road Annexation to SFWD

A landowner has inquired about annexation of one entire unincorporated parcel and a portion of a second unincorporated parcel totaling approximately 7.9 acres in size to the Spanish Flat Water District (SFWD). The parcels were added to SFWD’s SOI in 2021, are located at 7140 and 7150 Berryessa-Knoxville Road, and identified as APNs 019-280-004 (entire) and 019-280-006 (portion). Current land uses within the parcels include a commercial boat and recreational vehicle storage facility (Lakeview Boat Storage), approximately 6,000 square feet of enclosed storage structures, an administrative office, and a detached single-family residence. The parcels are currently dependent on private water and septic systems to support existing uses. Annexation would facilitate the connection of existing uses to SFWD’s water and sewer services. It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



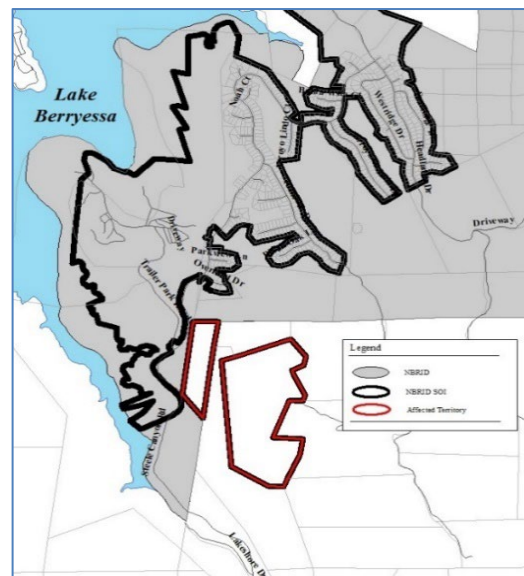
### Materials Diversion Facility Annexation to the City of Napa

Staff from the City of Napa has inquired about annexation of approximately 2.9 acres of unincorporated territory comprising a portion of a parcel owned by the Napa-Vallejo Waste Management Authority. The APN of the entire parcel is 057-090-060. A property sale and a lot line adjustment are planned to create new parcels. The purpose of the property acquisition and future annexation is to expand the City’s existing materials diversion facility operations. The property is located outside the City of Napa’s SOI near the City of American Canyon. Annexation to the City of Napa is allowed given the property is owned by the City and soon will be used by the City for municipal purposes.<sup>2</sup> It is anticipated a proposal for annexation will be submitted in the future, but there is no current timetable.



### Wastewater Treatment Plant Annexation to NBRID

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



<sup>2</sup> See [California Government Code §56742](#).



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**Agenda Item 6f (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *B F*  
Dawn Mittleman Longoria, Assistant Executive Officer *DML*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Legislative Report

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**BACKGROUND AND SUMMARY**

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

Chair Cottrell and Commissioner Painter currently serve on the Commission's Legislative Committee ("the Committee"), which is an ad hoc subcommittee responsible for reviewing proposed legislation affecting LAFCOs and making recommendations to the Commission with respect to taking formal positions.

On April 8, 2024, the Commission directed staff to submit letters to the Legislature supporting Assembly Bill (AB) 817 and Senate Bill (SB) 1209. The Commission also discussed AB 3277, included as Attachment 3, and agreed to watch the bill.

Consistent with local policy, the submitted support letters for AB 817 and SB 1209 are included on today's agenda for information purposes as Attachments 1 and 2, respectively.

AB 3277 would limit the requirement for a financial analysis of ad valorem taxes during the formation of a district to those instances when a share of the tax is sought. This bill has been keyed as fiscal, and is awaiting scheduling in Appropriations, where it will most likely be placed on the Consent agenda. Once through Appropriations, it will be scheduled before the Assembly Local Government Committee for hearing. The bill passed the Assembly on April 29, 2024, and was ordered to the Senate where it sits in the Rules Committee waiting on its policy assignment.

**ATTACHMENTS**

- 1) AB 817 Support Letter to Legislature
- 2) SB 1209 Support Letter to Legislature

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
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Brendon Freeman  
*Executive Officer*



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

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April 9, 2024

The Honorable Assembly Member Blanca Pacheco  
 State Capitol, Room 6240  
 Sacramento, CA 95814

**RE: *AB 817 (Pacheco) Open Meetings: Teleconferencing: Subsidiary Body – SUPPORT***

Dear Assembly Member Pacheco,

Napa LAFCO is pleased to express our support for AB 817, which would remove barriers to entry for appointed and elected office by allowing non-decision-making legislative bodies to participate in two-way virtual teleconferencing without posting location.

Challenges associated with recruitment have been attributed to participation time commitments, time and location of meetings, physical limitations, conflicts with childcare, and work obligations.

During the pandemic, public health precautions allowed for remote participation during public meetings, which resulted in increased accessibility and resident participation. Individuals who could not previously meet the time, distance, or mandatory physical participation requirements were able to become more engaged, increasing the diversity of input and thought on several critical community proposals.

Existing law (Stats. 1991, Ch. 669) requires local bodies to publish and publicly notice opportunities that exist to participate in and serve on local regulatory and advisory boards, commissions, and committees under the Local Appointments List, known as Maddy's Act. However, merely informing the public of the opportunity to engage is not enough: addressing barriers to entry to achieve diverse representation in leadership furthers the Legislature's declared goals of equal access and equal opportunity.

Diversification in civic participation at all levels requires careful consideration of different protected characteristics as well as socioeconomic status. The in-person requirement to participate in local governance bodies presents a disproportionate challenge for those with physical or economic limitations, including seniors, persons with disability, single parents, caretakers, economically marginalized groups, and those who live in rural areas and face prohibitive driving distances. Participation in local advisory bodies and appointed boards and commissions often serves as a pipeline to local elected office and opportunities for state and federal leadership positions.

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Margie Mohler, Commissioner  
 Councilmember, Town of Yountville

Anne Cottrell, Chair  
 County of Napa Supervisor, 3rd District

Kenneth Leary, Vice Chair  
 Representative of the General Public

Beth Painter, Commissioner  
 Councilmember, City of Napa

Belia Ramos, Commissioner  
 County of Napa Supervisor, 5th District

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 Councilmember, City of American Canyon

Joelle Gallagher, Alternate Commissioner  
 County of Napa Supervisor, 1st District

Brendon Freeman  
 Executive Officer

*Napa LAFCO Support for AB 817*  
*April 9, 2024*  
*Page 2 of 2*

AB 817 would help address these issues by providing a narrow exemption under the Ralph M. Brown Act for non-decision-making legislative bodies that do not take final action on any legislation, regulations, contracts, licenses, permits, or other entitlements, so that equity in opportunity to serve locally and representative diversity in leadership can be achieved.

One of LAFCO's missions is to encourage and facilitate efficient governance that is inclusive of all demographics. With this in mind, Napa LAFCO is pleased to support AB 817 and want to thank you for your leadership on this most important issue.

Sincerely,



Brendon Freeman  
Executive Officer  
Napa LAFCO

cc: The Honorable Assembly Member Blanca Pacheco  
Jimmy MacDonald, Consultant, Assembly Local Government Committee  
Anne Cottrell, Napa LAFCO Chair  
René LaRoche, CALAFCO Executive Director  
League of California Cities



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

1754 Second Street, Suite C  
 Napa, California 94559  
 Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

---

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

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April 9, 2024

Honorable David Cortese  
 California State Senate  
 1021 O Street, Suite 6630  
 Sacramento, CA 95814

**RE: *SB 1209 (Cortese): Local agency formation commission: indemnification – SUPPORT***

Dear Senator Cortese:

The Napa Local Agency Formation Commission (LAFCO) is pleased to support Senate Bill 1209, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO). SB 1209 would add a new section into Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

Consequently, **SB 1209** will:

- Provide LAFCOs with the ability to use a tool already in use by counties and cities;
- Prevent costs to defend litigation from being shifted to a county, its cities, and its special districts; and
- Remove the possibility that an applicant threatens litigation to coerce a desirable LAFCO determination.

Thus, for the above reasons, Napa LAFCO is in strong *support of SB 1209*.

Sincerely,

*Brendon Freeman*  
 Brendon Freeman  
 Executive Officer  
 Napa LAFCO

cc: The Honorable Maria Elena Durazo, Chair, and Members,  
 Senate Local Government Committee  
 Anton Favorini-Csorba, Chief Consultant, Senate Local  
 Government Committee  
 Ryan Eisberg, Consultant, Senate Republican Caucus  
 Anne Cottrell, Napa LAFCO Chair  
 René LaRoche, CALAFCO Executive Director

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 Councilmember, Town of Yountville

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 Executive Officer



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**Agenda Item 6g (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Stephanie Pratt, Clerk/Jr. Analyst *SP*

**MEETING DATE:** June 3, 2024

**SUBJECT:** 2024 CALAFCO Staff Workshop Summary

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**SUMMARY**

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

The Clerk/Jr. Analyst served as LAFCO of Napa County's representative at the 2024 CALAFCO Staff Workshop held on April 24 through April 26 in Pleasanton. The session topics related to the needs of LAFCO staff.

Workshop sessions included discussions related to the art of building, repairing, and maintaining trust, writing with precision, using GIS effectively, clerking resources and connections, and the growing importance of website ADA compliance.

**Power Point Presentations Link:** [https://calafco.org/PowerPoint Presentations](https://calafco.org/PowerPoint%20Presentations)

A photography contest was entered with the theme of Juxtapositions: Developed land vs. Undeveloped land in California. Clerk/Jr. Analyst Stephanie Pratt entered four photos and won first place and came away with \$100 and a blue ribbon. The photos entered by Ms. Pratt can be found on the Commission's website: <https://napa.lafco.ca.gov/lafco-of-napa-county-wins-again>

Registration for the 2024 CALAFCO Conference (October 16-18) will begin July 1<sup>st</sup>. The Tenaya Lodge location near Yosemite means hotel rooms are likely to go quickly, so Commissioners and staff are encouraged to register as soon as it opens. <https://calafco.org/meet-reg2.php>

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*Executive Officer*





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**Agenda Item 7a (Public Hearing)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *B F*  
Dawn Mittleman Longoria, Assistant Executive Officer *DML*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Final Budget for Fiscal Year 2024-25, Amendment to the Schedule of Fees and Deposits, and Work Program for Fiscal Year 2024-25

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**RECOMMENDATION**

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Adopt the Resolution of the Local Agency Formation Commission of Napa County Adopting a Final Budget for Fiscal Year 2024-25 (Attachment 1) and specifying which version of the budget is to be included as Exhibit A;
- 4) Adopt the Resolution of the Local Agency Formation Commission of Napa County Amendment to Adopted Schedule of Fees and Deposits (Attachment 2); and
- 5) Adopt the Resolution of the Local Agency Formation Commission of Napa County Adopting a Work Program for Fiscal Year 2024-25 (Attachment 3).

**BACKGROUND AND SUMMARY**

LAFCOs are responsible for annually adopting a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup> pursuant to California Government Code section 56381.

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

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Councilmember, City of Napa

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Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

### ***Budgeting Policies and Update***

Consistent with the Commission's *Budget Policy* ("the Policy"), included as Attachment 4, the Commission appointed Commissioners Leary and Mohler to serve on an ad hoc Budget Committee ("the Committee") to inform the Commission's decision-making process in adopting an annual operating budget. The Policy directs the Committee to also consider the Commission's work program.

The Commission is directed to control operating expenses by utilizing its available undesignated/unreserved fund balance ("reserves") whenever possible and appropriate. The Policy directs the Commission to retain sufficient reserves to equal no less than one third (i.e., four months) of budgeted operating expenses. Reserves are intended to be used for emergencies (e.g., litigation) or for future special projects requiring private consultants.

The Committee directed staff to develop a budget based on the adopted two-year Strategic Plan, included as Attachment 5, which prioritizes the goal of bringing greater independence to LAFCO. Toward this end, staff conducted research and interviews of prospective firms to determine costs to provide similar services that are currently provided by Napa County under an existing Support Services Agreement (SSA). The firms were recommended by other LAFCOs and public agencies.

### ***Prescriptive Funding Sources***

The Commission's annual operating expenses are primarily funded by Napa County and the Cities of American Canyon, Calistoga, Napa, St. Helena, and Town of Yountville. State law specifies the County is responsible for one-half of the Commission's operating expenses while the remaining amount is to be apportioned among the cities and town. The current formula for allocating the cities and town's shares of the Commission's budget was adopted by the municipalities in 2003 and is based on a weighted calculation of population (60%) and general tax revenues (40%). Additional funding – typically less than 10% of total revenues – is budgeted from anticipated application fees and interest earnings.

### ***Actions to Date***

On April 8, 2024, staff presented a proposed budget and a draft work program to the Commission. The Commission continued the item to a special meeting on April 25, 2024.

On April 25, 2024, staff presented a revised proposed budget and a revised draft work program to the Commission. The Commission adopted the revised proposed budget with one further revision that resulted in a reduction in budgeted expenses and revenues.

The adopted proposed budget was circulated to each of the county, city, and town managers, as well as the general public, for review and comment. No comments were received.

## ***Final Budget Overview***

The Commission will consider adopting a final budget for fiscal year 2024-25 by adopting the draft resolution included as Attachment 1. Included as part of the draft resolution are two variations of the final budget worksheet identified as Exhibit A-1 and Exhibit A-2, summarized below:

- Exhibit A-1 represents the status quo, in which the Commission would continue to operate under its SSA with the County. Total operating expenses and revenues each equal \$819,950, positioning the Commission to finish fiscal year 2024-25 with reserves totaling \$361,158 or 44.0% of expenses.
- Exhibit A-2 represents the full costs associated with transitioning all contracted services under the SSA to other firms or agencies. This includes several initial one-time costs associated with migration and purchasing equipment and software. Total operating expenses and revenues each equal \$843,065, positioning the Commission to finish fiscal year 2024-25 with reserves totaling \$361,158 or 43.1% of expenses.

The two versions of the final budget were developed pending the outcome of the workshop on today's agenda as item 5. The difference in operating expenses and revenues between the two versions is \$23,115.

Staff recommends the Commission discuss which version of the final budget is preferred and specify which version of the budget will be Exhibit A to the adopted resolution.

## ***Operating Expenses***

A summary of operating expenses in the two versions of the budget follows:

### Salaries and Benefits Unit

This budget unit is proposed to total \$19,000 in both versions of the budget and is primarily associated with Commissioner per diems for attendance at meetings, conferences, trainings, and other LAFCO business.<sup>1</sup> Staff salaries and benefits are categorized under Administration Services (Account No. 52100) within the Services and Supplies budget unit as summarized on the following page.<sup>2</sup>

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<sup>1</sup> Commissioners Leary and Mohler serve on the California Association of LAFCOs (CALAFCO) Board of Directors. Commissioner Mohler currently serves as CALAFCO Board Chair. All CALAFCO meetings result in per diem payments.

<sup>2</sup> Within Administration Services, there are eight individual sub-accounts related to staff salaries and benefits. These eight sub-accounts were previously re-categorized in Napa County's financial accounting system and were moved from the Salaries and Benefits unit to the Services and Supplies unit. The reasoning was that LAFCO staff are County employees provided to LAFCO by contract, and thus LAFCO staff salaries and benefits are considered a service charge that is billed by the County to LAFCO. While not intuitive for LAFCO to categorize its staff salaries and wages under Services and Supplies, this categorization is more efficient for the County Auditor-Controller's Office. A fully independent LAFCO would be required to implement its own financial accounting system, which could result in more intuitive budgeting related to staff salaries and benefits.

### Services and Supplies Unit

This budget unit is proposed to total \$800,950 in Exhibit A-1 and \$824,065 in Exhibit A-2 with the following highlights:

- Administration Services (Account No. 52100) are proposed to increase from \$559,015 to \$622,859 in both versions of the budget.<sup>3</sup> The current fiscal year budget amounts and the proposed fiscal year 2024-25 amounts in the eight sub-accounts are shown in Attachment 6. A summary follows:
  - Staff salaries and wages are shown in the worksheet, included as Attachment 7, and summarized below:<sup>4</sup>
    - 3.0% cost of living adjustment (COLA) for all staff, which is automatic and does not require separate Commission approval.
    - The Executive Officer position was recently reclassified in the County system, resulting in a new base hourly rate of \$86.88.
    - Executive Officer management leave cash out (80 hours) and vacation leave cash out (40 hours).
    - Salary increase from step 2 to step 3 for the Clerk/Jr. Analyst.
  - Decrease in employee insurance premiums to reflect updated costs.
  - Increase in expenses tied to staff benefits, which had been significantly underbudgeted for several years.
  - Increase in other post-employment benefits to reflect updated costs.
  - \$3,600 for the Executive Officer and Assistant Executive Officer to participate in the County of Napa's 401(a) retirement savings plan.
- Legal Services (Account No. 52140) are proposed to remain at \$35,000 in Exhibit A-1 and increase to \$50,000 in Exhibit A-2 to reflect anticipated one-time workload increases for the Commission's legal counsel as part of accomplishing the Strategic Plan goal of greater independence. This includes drafting a personnel handbook and other related activities.
- Consulting Services (Account No. 52310) are proposed to decrease from \$105,000 to \$45,000 to reflect the remaining portion of the consultant contract for the Countywide Fire and Emergency Medical Services Municipal Service Review and Sphere of Influence Reviews.<sup>5</sup>

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<sup>3</sup> Under the existing SSA, LAFCO staff are County employees subject to the County's personnel and compensation rules and agreements. Notably, staff salaries are tied to the County's 5-step salary schedule, which is controlled by County Human Resources with any changes requiring approval by the County Board of Supervisors. Any future changes to the established salary ranges would require the Commission to request County Human Resources conduct an equity study, which may or may not result in the implementation of any desired salary changes.

<sup>4</sup> For historical context, the Commission's adopted budgets through fiscal year 2021-22 included 2.75 full-time equivalent (FTE) staff, which included a 1.0 FTE Executive Officer, a 1.0 FTE Analyst, and a 0.75 FTE Secretary. The fiscal year 2022-23 budget included 2.75 FTE staff with the Analyst position changing to an Assistant Executive Officer. The fiscal year 2023-24 budget included 3.0 FTE staff with the Secretary position changing to Clerk/Jr. Analyst.

<sup>5</sup> The Commission allocated \$100,000 to this project in the fiscal year 2023-24 budget.

- Miscellaneous other expenses related to the Strategic Plan goal of greater independence, mostly involving one-time initial costs tied to activities such as purchasing computers, phones, software programs, and licenses that are currently provided by the County. Notably, staff received a quote to transition from County ITS to a private company that includes a one-time initial migration cost of \$13,200 along with an ongoing annual cost of \$10,320.<sup>6</sup>

### ***Operating Revenues***

A summary of operating expenses in the two versions of the budget follows:

- Agency contributions in Exhibits A-1 and A-2 are proposed to total \$782,950 and \$806,065, respectively, as reflected in the worksheets included as Attachment 8. The difference between the two versions of the budget totals \$23,115, primarily associated with one-time initial costs to transition the Commission's contracted SSA services to alternative providers. Annual ongoing expenses with alternative providers would come at a slightly lower cost to the Commission and, therefore, to the funding agencies.
- Service charges (i.e., proposal application fees) are proposed to total \$30,000 in both versions of the budget based on anticipated proposal activity.
- Interest earnings on the Commission's fund balance are proposed to total \$7,000 in both versions of the budget based on recent trends in interest rates.

### ***Fee Schedule Amendment & Fully Burdened Hourly Rate***

The Committee recommends the Commission adopt the resolution included as Attachment 2 to amend the Fee Schedule effective July 1, 2024. The amendment is limited to updating the Commission's fully burdened hourly rate to \$187.32 based on Exhibit A-1 or to \$198.44 based on Exhibit A-2. The actual amount will be based on a calculation, included as Attachment 9, that incorporates all operational expenses and the proportional amount of time that each staff member is expected to dedicate to processing applications for boundary changes and service extensions.

Two versions of the Fee Schedule amendment showing tracked changes are included as Attachment 10. The first version includes the \$187.32 hourly rate based on Exhibit A-1. The second version includes the \$198.44 hourly rate based on Exhibit A-2. The actual hourly rate and associated fee amounts will be included in the adopted version of the resolution based on whichever version of the final budget (Exhibit A-1 or A-2) is adopted as part of Attachment 1.

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<sup>6</sup> The County ITS charge for fiscal year 2024-25 is \$27,746.

### ***Work Program for Fiscal Year 2024-25***

The Commission annually adopts a work program based on the adopted Strategic Plan and the Budget Committee is directed to consider it as part of the budget preparation process. The Work Program includes approximate schedules for the preparation of municipal service reviews and other projects. The Work Program also lists key administrative and other significant LAFCO activities. The Commission previously received a draft Work Program for Fiscal Year 2024-25. A proposed Work Program for adoption is included as an exhibit to Attachment 3.

### **ATTACHMENTS**

- 1) Draft Resolution Adopting a Final Budget for Fiscal Year 2024-25 (Includes Alternative Budget Worksheets as Exhibits A-1 and A-2)
- 2) Draft Resolution Amending the Fee Schedule (Includes Alternative Versions as Exhibits A-1 and A-2)
- 3) Draft Resolution Adopting the Work Program for Fiscal Year 2024-25
- 4) Budget Policy
- 5) Strategic Plan July 1, 2023 – June 30, 2025
- 6) Administration Services Expense Account Worksheet
- 7) Staff Salaries and Wages Worksheet
- 8) Agency Contributions Worksheets for Exhibits A-1 and A-2
- 9) Calculation of Fully Burdened Hourly Rate for Exhibits A-1 and A-2
- 10) Fee Schedule Amendment Showing Tracked Changes (Includes Alternative Versions Based on Budget Exhibits A-1 and A-2)

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2024-25**

**WHEREAS**, the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) to annually adopt a budget for the next fiscal year; and

**WHEREAS**, Government Code Section 56381 requires the Commission to adopt a proposed budget by May 1 and a final budget by June 15; and

**WHEREAS**, the Commission appoints and utilizes an ad hoc subcommittee (“Budget Committee”) to help inform and make decisions regarding the agency’s funding requirements; and

**WHEREAS**, the Commission adopted a proposed budget prepared by the Budget Committee at a noticed public hearing as part of a special meeting on April 25, 2024; and

**WHEREAS**, at the direction of the Commission, the Budget Committee circulated the adopted proposed budget for review and comment to the administrative and financial officers of each of the six local agencies that contribute to the Commission budget as well as to all local special districts; and

**WHEREAS**, no comments were received concerning the adopted proposed budget; and

**WHEREAS**, the Executive Officer prepared a report concerning the Budget Committee’s recommended final budget; and

**WHEREAS**, the Executive Officer’s report on a final budget has been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at its public hearing on the final budget held on June 3, 2024; and

**WHEREAS**, the Commission determined the final budget projects the staffing and program costs of the Commission as accurately and appropriately as is possible.

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

1. The final budget as outlined in Exhibit "A" is adopted.
2. The final budget provides the Commission sufficient resources to fulfill its regulatory and planning responsibilities in accordance with Government Code Section 56381(a).

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 3, 2024, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

ABSTAIN: Commissioners \_\_\_\_\_

\_\_\_\_\_  
 Anne Cottrell  
 Commission Chair

ATTEST: \_\_\_\_\_  
 Brendon Freeman  
 Executive Officer

Recorded by: Stephanie Pratt  
 Clerk/Jr. Analyst





## Local Agency Formation Commission of Napa County

Subdivision of the State of California

### Fiscal Year 2024-25 Final Budget

Adopted on June 3, 2024

#### Expenses

##### Salaries and Benefits

Account    Description

		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25
		Final Budget	Actual	Final Budget	Actual	Adjusted Budget	Estimate	Final Budget
51210	Commissioner Per Diems	12,500	12,300	15,200	12,690	15,000	14,850	18,000
51300	Medicare - Commissioners	250	205	250	181	250	250	300
51305	FICA - Commissioners	500	525	500	583	600	1,000	700
<b>Total Salaries &amp; Benefits</b>		<b>13,250</b>	<b>13,030</b>	<b>15,950</b>	<b>13,454</b>	<b>15,850</b>	<b>16,100</b>	<b>19,000</b>

##### Services and Supplies

Account    Description

52100	Administration Services	439,901	408,954	509,844	429,510	559,015	555,000	614,588
52125	Accounting/Auditing Services	7,500	6,847	7,500	7,742	7,500	7,376	7,500
52130	Information Technology Services	24,489	24,489	23,974	23,974	34,309	35,449	27,746
52131	ITS Communication Charges	1,837	1,837	1,685	1,692	2,000	2,000	2,757
52140	Legal Services	25,000	22,000	35,000	32,402	35,000	34,500	35,000
52310	Consulting Services	-	-	10,000	-	105,000	105,000	45,000
52345	Janitorial Services	300	150	300	150	300	150	300
52515	Maintenance-Software	1,930	1,930	1,930	629	3,062	1,762	1,512
52600	Rents and Leases: Equipment	4,000	2,784	4,000	2,740	3,500	3,240	3,000
52605	Rents and Leases: Building/Land	31,322	28,234	25,995	25,995	26,775	26,775	27,570
52700	Insurance: Liability	578	578	638	-	716	716	922
52800	Communications/Telephone	2,000	1,485	3,000	1,667	3,000	5,000	3,000
52830	Publications and Notices	1,000	1,100	1,000	1,282	750	975	1,000
52835	Filing Fees	200	150	200	-	150	100	200
52900	Training/Conference	10,000	-	15,000	8,937	15,000	11,089	20,000
52905	Business Travel/Mileage	500	-	1,000	-	3,000	500	1,000
53100	Office Supplies	1,000	400	1,000	1,282	2,000	1,900	2,500
53110	Freight/Postage	500	100	150	-	100	-	100
53115	Books/Media/Subscriptions	-	119	119	119	119	119	119
53120	Memberships/Certifications	2,934	2,934	3,078	3,078	3,332	3,332	3,411
53205	Utilities: Electric	1,500	1,950	2,000	1,540	2,400	2,350	2,500
53410	Computer Equipment/Accessories	-	38	-	-	571	-	-
53415	Computer Software/License	225	225	225	-	225	225	225
53650	Business Related Meal/Supplies	250	33	-	316	760	825	1,000
<b>Total Services &amp; Supplies</b>		<b>556,966</b>	<b>506,337</b>	<b>647,638</b>	<b>543,055</b>	<b>808,584</b>	<b>798,383</b>	<b>800,950</b>

**EXPENSE TOTALS**

	570,216	519,367	663,588	556,509	824,434	814,483	819,950
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# Exhibit A-1

## Revenues

### Intergovernmental

Account   Description

		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25
		Final Budget	Actual	Final Budget	Actual	Adjusted Budget	Estimate	Final Budget
43910	County of Napa	254,835	254,835	313,794	313,794	339,738	339,738	391,475
43950	Other Governmental Agencies	254,835	254,835	313,794	313,794	339,738	339,738	391,475
----	<i>City of Napa</i>	166,432	166,432	207,969	207,969	222,680	222,680	255,726
----	<i>City of American Canyon</i>	45,843	45,843	56,307	56,307	61,235	61,235	68,177
----	<i>City of St. Helena</i>	18,608	18,608	20,381	20,381	22,609	22,609	26,706
----	<i>City of Calistoga</i>	13,976	13,976	16,885	16,885	20,342	20,342	24,364
----	<i>Town of Yountville</i>	9,976	9,976	12,252	12,252	12,872	12,872	16,503
	<b>Total Intergovernmental</b>	509,670	509,670	627,588	627,588	679,476	679,476	782,950

### Service Charges

Account   Description

42690	Application/Permit Fees	20,000	25,450	25,000	30,110	22,950	39,830	25,000
46800	Charges for Services	600	1,074	1,000	2,667	510	4,320	1,000
47900	Miscellaneous	-	2,845	4,000	-	-	-	4,000
	<b>Total Service Charges</b>	20,600	29,369	30,000	32,777	23,460	44,150	30,000

### Investments

Account   Description

45100	Interest	10,000	5,700	6,000	7,243	6,500	18,146	7,000
	<b>Total Investments</b>	10,000	5,700	6,000	7,243	6,500	18,146	7,000

### REVENUE TOTALS

		540,270	544,739	663,588	667,608	709,436	741,772	819,950
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### OPERATING DIFFERENCE

		(29,946)	25,372	0	111,099	(114,998)	(72,711)	0
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### Reserves

	2021-22	2022-23	2023-24	2024-25 *
<b>Undesignated/Unreserved Fund Balance ("Reserves")</b>				
Beginning:	270,692	296,064	407,163	354,109
Ending:	296,064	407,163	334,452	354,109
<b>Minimum Reserves Goal Under Local Policy (33.3% Expenses)</b>	190,072	221,196	274,811	273,317

\* Reserves will increase by \$19,567 on July 1, 2024 due to the Commission discontinuing the use of its fully depreciated Laserfiche electronic document management system.



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

**Fiscal Year 2024-25 Final Budget**  
 Adopted on June 3, 2024

**Expenses**

**Salaries and Benefits**

Account    Description

		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25
		Final Budget	Actual	Final Budget	Actual	Adjusted Budget	Estimate	Final Budget
51210	Commissioner Per Diems	12,500	12,300	15,200	12,690	15,000	14,850	18,000
51300	Medicare - Commissioners	250	205	250	181	250	250	300
51305	FICA - Commissioners	500	525	500	583	600	1,000	700
<b>Total Salaries &amp; Benefits</b>		<b>13,250</b>	<b>13,030</b>	<b>15,950</b>	<b>13,454</b>	<b>15,850</b>	<b>16,100</b>	<b>19,000</b>

**Services and Supplies**

Account    Description

52100	Administration Services	439,901	408,954	509,844	429,510	559,015	555,000	614,588
52125	Accounting/Auditing Services	7,500	6,847	7,500	7,742	7,500	7,376	10,000
52130	Information Technology Services	24,489	24,489	23,974	23,974	34,309	35,449	26,765
52131	ITS Communication Charges	1,837	1,837	1,685	1,692	2,000	2,000	-
52140	Legal Services	25,000	22,000	35,000	32,402	35,000	34,500	50,000
52310	Consulting Services	-	-	10,000	-	105,000	105,000	45,000
52345	Janitorial Services	300	150	300	150	300	150	300
52515	Maintenance-Software	1,930	1,930	1,930	629	3,062	1,762	1,512
52600	Rents and Leases: Equipment	4,000	2,784	4,000	2,740	3,500	3,240	3,000
52605	Rents and Leases: Building/Land	31,322	28,234	25,995	25,995	26,775	26,775	27,570
52700	Insurance: Liability	578	578	638	-	716	716	1,000
52800	Communications/Telephone	2,000	1,485	3,000	1,667	3,000	5,000	4,500
52830	Publications and Notices	1,000	1,100	1,000	1,282	750	975	1,000
52835	Filing Fees	200	150	200	-	150	100	200
52900	Training/Conference	10,000	-	15,000	8,937	15,000	11,089	20,000
52905	Business Travel/Mileage	500	-	1,000	-	3,000	500	1,000
53100	Office Supplies	1,000	400	1,000	1,282	2,000	1,900	2,500
53110	Freight/Postage	500	100	150	-	100	-	100
53115	Books/Media/Subscriptions	-	119	119	119	119	119	119
53120	Memberships/Certifications	2,934	2,934	3,078	3,078	3,332	3,332	3,411
53205	Utilities: Electric	1,500	1,950	2,000	1,540	2,400	2,350	2,500
53410	Computer Equipment/Accessories	-	38	-	-	571	-	5,000
53415	Computer Software/License	225	225	225	-	225	225	3,000
53650	Business Related Meal/Supplies	250	33	-	316	760	825	1,000
<b>Total Services &amp; Supplies</b>		<b>556,966</b>	<b>506,337</b>	<b>647,638</b>	<b>543,055</b>	<b>808,584</b>	<b>798,383</b>	<b>824,065</b>

**EXPENSE TOTALS**

		570,216	519,367	663,588	556,509	824,434	814,483	843,065
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# Exhibit A-2

## Revenues

		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25
		Final Budget	Actual	Final Budget	Actual	Adjusted Budget	Estimate	Final Budget
<b>Intergovernmental</b>								
<u>Account</u>	<u>Description</u>							
43910	County of Napa	254,835	254,835	313,794	313,794	339,738	339,738	403,033
43950	Other Governmental Agencies	254,835	254,835	313,794	313,794	339,738	339,738	403,033
----	<i>City of Napa</i>	166,432	166,432	207,969	207,969	222,680	222,680	263,275
----	<i>City of American Canyon</i>	45,843	45,843	56,307	56,307	61,235	61,235	70,190
----	<i>City of St. Helena</i>	18,608	18,608	20,381	20,381	22,609	22,609	27,494
----	<i>City of Calistoga</i>	13,976	13,976	16,885	16,885	20,342	20,342	25,083
----	<i>Town of Yountville</i>	9,976	9,976	12,252	12,252	12,872	12,872	16,990
	<b>Total Intergovernmental</b>	509,670	509,670	627,588	627,588	679,476	679,476	806,065
<b>Service Charges</b>								
<u>Account</u>	<u>Description</u>							
42690	Application/Permit Fees	20,000	25,450	25,000	30,110	22,950	39,830	25,000
46800	Charges for Services	600	1,074	1,000	2,667	510	4,320	1,000
47900	Miscellaneous	-	2,845	4,000	-	-	-	4,000
	<b>Total Service Charges</b>	20,600	29,369	30,000	32,777	23,460	44,150	30,000
<b>Investments</b>								
<u>Account</u>	<u>Description</u>							
45100	Interest	10,000	5,700	6,000	7,243	6,500	18,146	7,000
	<b>Total Investments</b>	10,000	5,700	6,000	7,243	6,500	18,146	7,000
	<b>REVENUE TOTALS</b>	540,270	544,739	663,588	667,608	709,436	741,772	843,065
	<b>OPERATING DIFFERENCE</b>	(29,946)	25,372	0	111,099	(114,998)	(72,711)	0

## Reserves

	2021-22	2022-23	2023-24	2024-25 *
<b>Undesignated/Unreserved Fund Balance ("Reserves")</b>				
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<b>Minimum Reserves Goal Under Local Policy (33.3% Expenses)</b>	190,072	221,196	274,811	281,022

\* Reserves will increase by \$19,567 on July 1, 2024 due to the Commission discontinuing the use of its fully depreciated Laserfiche electronic document management system.

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AMENDMENT TO ADOPTED SCHEDULE OF FEES AND DEPOSITS**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) authorizes the Local Agency Formation Commission of Napa County (hereinafter referred to as “Commission”) to adopt a fee schedule; and

**WHEREAS**, the Commission established and adopted by resolution a “Schedule of Fees and Deposits” on December 1, 2001, in a manner provided by law; and

**WHEREAS**, the Commission has amended the adopted Schedule of Fees and Deposits as appropriate since its establishment on several occasions; and

**WHEREAS**, the Commission appoints and utilizes an ad hoc subcommittee (“Budget Committee”) to help inform and make decisions regarding the agency’s funding requirements including the adopted Schedule of Fees and Deposits; and

**WHEREAS**, the Commission considered a proposed amendment to the adopted Schedule of Fees and Deposits prepared by the Budget Committee at a noticed public hearing on June 3, 2024.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** the Schedule of Fees and Deposits shall be amended in the manner set forth in Exhibit “A” and become effective July 1, 2024.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 3, 2024, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

\_\_\_\_\_  
Anne Cottrell  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer

Recorded by: Stephanie Pratt  
Clerk/Jr. Analyst



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

### Schedule of Fees and Deposits

Effective Date: July 1, 2024

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling LAFCO's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with the provisions of [Government Code \(G.C.\) §56383](#).
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine applications and based on a number of predetermined staff hours. At-cost fees apply to less routine applications and based on the number of actual staff hours. Staff time is charged at a fully burdened hourly rate of \$187.32.
3. Applications submitted to LAFCO shall be accompanied by the appropriate fees as detailed in this schedule. Staff shall identify which fees are due at the time the application is submitted and the timing when other fees are required. Any required fees that have not been received at the time LAFCO action on an application shall be made a condition of approval.
4. Staff may stop work on any application until the applicant submits a requested deposit or fee.
5. All deposit amounts for at-cost applications shall be determined by the Executive Officer. The Executive Officer shall provide a written accounting of all staff time and related expenses billed against the deposit. If the cost in processing an application begins to approach or exceed the deposited amount, the Executive Officer shall request additional monies from the applicant.
6. Upon completion of an at-cost application, staff shall issue to the applicant a statement detailing all billable expenditures from a deposit. Staff shall refund the applicant for any monies remaining from the deposit less one-half hour of staff time to process the return as provided in this schedule.
7. In the course of processing applications, staff is required to collect fees on behalf of other government agencies such as the State Board of Equalization. LAFCO recognizes these are "pass through" fees that are not within LAFCO's discretion and therefore no formal action is required to update those fees in this schedule.

8. All fees payable to LAFCO shall be submitted by check and made payable to “LAFCO”. All fees payable to other government agencies as identified in this schedule shall be submitted by check and made payable to the applicable agency.
9. Applicants are responsible for any fees or charges incurred by LAFCO and/or required by other governmental agencies in the course of the processing of an application.
10. Applicants are responsible for any extraordinary administrative costs as determined by the Executive Officer and detailed for the applicant in a written statement.
11. Initial application fees shall not be charged by LAFCO for city annexations involving unincorporated islands subject to [G.C. §56375.3](#) and LAFCO’s [Policy on Unincorporated Islands](#), unless otherwise determined by the Executive Officer based on extraordinary circumstances.
12. If the processing of an application requires LAFCO to contract with another agency, firm, or individual for services beyond the normal scope of staff work, such as preparing an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide LAFCO with a deposit sufficient to cover the cost of the contract.
13. With respect to instances where LAFCO approves an outside service agreement under [G.C. §56133\(b\)](#), the fee for a subsequent annexation involving the affected territory and affected agency will be reduced by 50% if the annexation application is filed within one calendar year of LAFCO approval.
14. Requests for research on any particular subject will be provided at no cost for the first two hours. This includes, but is not limited to, archival retrieval, identifying properties relative to agency boundaries, and discussing potential applications. Any additional research time will be billed at the fully burdened hourly rate provided in this schedule.
15. Annexation and/or detachment applications involving concurrent boundary changes for two or more agencies qualify as reorganizations and will incur an additional fee of \$936.60. Annexation applications involving cities that require concurrent detachment from County Service Area No. 4, and no other boundary changes are proposed, will only incur an additional fee of \$187.32.
16. LAFCO’s ad hoc Budget Committee shall annually review this schedule and recommend updates to help LAFCO maintain an appropriate level of cost-recovery.

**INITIAL APPLICATION FEES**

The following fees must be submitted to LAFCO as part of the application filing. The Executive Officer will identify the specific deposits, fees, and amounts that apply to the application.

<b>Change of Organization or Reorganization: Annexations and Detachments</b>	
<ul style="list-style-type: none"> <li><b>Exempt from California Environmental Quality Act</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	\$5,619.60
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	\$7,492.80
<ul style="list-style-type: none"> <li><b>Not Exempt from California Environmental Quality Act / Negative Declaration</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$6,556.20
100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$9,366.00 plus consultant contract
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$8,429.40
Without 100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$11,239.20 plus consultant contract
<ul style="list-style-type: none"> <li><b>Not Exempt from California Environmental Quality / Environmental Impact Report</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$7,492.80
100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$9,366.00 plus consultant contract
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$9,366.00
Without 100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$11,239.20 plus consultant contract
<b>Change of Organization or Reorganization: Other</b>	
<ul style="list-style-type: none"> <li>City Incorporations and Disincorporations</li> <li>Special District Formations, Consolidations, Mergers, and Dissolutions</li> <li>Special District Requests to Activate or Deactivate Powers</li> </ul>	at-cost
<b>Other Applications</b>	
<ul style="list-style-type: none"> <li>Request for Outside Service Agreement</li> <li>Request for Reconsideration</li> <li>Request for Time Extension to Complete Proceedings</li> <li>Request for Municipal Service Review</li> <li>Request for Sphere of Influence Amendment</li> </ul>	\$3,746.40 \$3,746.40 \$936.60 at-cost at-cost
<b>Miscellaneous</b>	
<ul style="list-style-type: none"> <li>Special Meeting</li> <li>Alternate Legal Counsel</li> </ul>	\$1,200 at-cost



**OTHER APPLICATION FEES**

The following fees may apply to applications and records requests. The Executive Officer will identify all applicable fee amounts and the timing for payment submittal.

<b>Fees Made Payable to the County of Napa</b>	
• Assessor’s Annexation Mapping Fee	\$162
• County Surveyor’s Review Fee	\$253.09
• Clerk-Recorder’s Environmental Filing Fee	\$50
• Elections’ Registered Voter List Fee	\$75 hourly
• Elections’ Signature Verification Fee	\$75 hourly
• Clerk-Recorder’s Environmental Document Fee	
.....Environmental Impact Report	\$4,051.25
.....Mitigated Negative Declaration	\$2,916.75
.....Negative Declaration	\$2,916.75

<b>Fees Made Payable to LAFCO</b>	
• Geographic Information System Update	\$187.32
• Public Hearing Notice Newspaper Publishing	at-cost
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$187.32 hourly

<b>Fees Made Payable to the State Board of Equalization to Record Boundary Changes</b>			
Acre	Fee	Acre	Fee
0.00-0.99	\$300	51.00-100.99	\$1,500
1.00-5.99	\$350	101.00-500.99	\$2,000
6.00-10.99	\$500	501.00-1,000.99	\$2,500
11.00-20.99	\$800	1,001.00-2,000.99	\$3,000
21.00-50.99	\$1,200	2,001.00+	\$3,500



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

### Schedule of Fees and Deposits

Effective Date: July 1, 2024

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16. LAFCO’s ad hoc Budget Committee shall annually review this schedule and recommend updates to help LAFCO maintain an appropriate level of cost-recovery.

**INITIAL APPLICATION FEES**

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<b>Change of Organization or Reorganization: Annexations and Detachments</b>	
<ul style="list-style-type: none"> <li><b>Exempt from California Environmental Quality Act</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	\$5,953.20
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	\$7,937.60
<ul style="list-style-type: none"> <li><b>Not Exempt from California Environmental Quality Act / Negative Declaration</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$6,945.40
100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$9,922.00 plus consultant contract
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$8,929.80
Without 100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$11,906.40 plus consultant contract
<ul style="list-style-type: none"> <li><b>Not Exempt from California Environmental Quality / Environmental Impact Report</b></li> </ul>	
100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$7,937.60
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Without 100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	\$9,922.00
Without 100% Consent from Landowners and Agencies where LAFCO is Lead Agency	\$11,906.40 plus consultant contract
<b>Change of Organization or Reorganization: Other</b>	
<ul style="list-style-type: none"> <li>City Incorporations and Disincorporations</li> <li>Special District Formations, Consolidations, Mergers, and Dissolutions</li> <li>Special District Requests to Activate or Deactivate Powers</li> </ul>	at-cost
<b>Other Applications</b>	
<ul style="list-style-type: none"> <li>Request for Outside Service Agreement</li> <li>Request for Reconsideration</li> <li>Request for Time Extension to Complete Proceedings</li> <li>Request for Municipal Service Review</li> <li>Request for Sphere of Influence Amendment</li> </ul>	\$3,968.80 \$3,968.80 \$992.20 at-cost at-cost
<b>Miscellaneous</b>	
<ul style="list-style-type: none"> <li>Special Meeting</li> <li>Alternate Legal Counsel</li> </ul>	\$1,200 at-cost

**OTHER APPLICATION FEES**

The following fees may apply to applications and records requests. The Executive Officer will identify all applicable fee amounts and the timing for payment submittal.

<b>Fees Made Payable to the County of Napa</b>	
• Assessor’s Annexation Mapping Fee	\$162
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• Clerk-Recorder’s Environmental Document Fee	
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.....Negative Declaration	\$2,916.75

<b>Fees Made Payable to LAFCO</b>	
• Geographic Information System Update	\$198.44
• Public Hearing Notice Newspaper Publishing	at-cost
• Photocopying	\$0.10 (black) / \$0.40 (color)
• Mailing	at-cost
• Audio Recording of Meeting	at-cost
• Research/Archive Retrieval	\$198.44 hourly

<b>Fees Made Payable to the State Board of Equalization to Record Boundary Changes</b>			
Acre	Fee	Acre	Fee
0.00-0.99	\$300	51.00-100.99	\$1,500
1.00-5.99	\$350	101.00-500.99	\$2,000
6.00-10.99	\$500	501.00-1,000.99	\$2,500
11.00-20.99	\$800	1,001.00-2,000.99	\$3,000
21.00-50.99	\$1,200	2,001.00+	\$3,500

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
ADOPTING A WORK PROGRAM FOR FISCAL YEAR 2024-25**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) directs the Local Agency Formation Commission of Napa County (hereinafter “the Commission”) to prepare Municipal Service Reviews in order to prepare and to update spheres of influence; and

**WHEREAS**, local policy directs the Commission to annually adopt a Work Program; and

**WHEREAS**, the Commission’s annual Work Program establishes a schedule for the preparation of Municipal Service Reviews, Sphere of Influence Updates, and other agency activities; and

**WHEREAS**, at its June 3, 2024 meeting, the Commission considered adopting a Work Program for fiscal year 2024-25 prepared by staff.

**NOW, THEREFORE, BE IT RESOLVED** that the Local Agency Formation Commission of Napa County hereby adopts the Work Program for fiscal year 2024-25, included as Exhibit “A” to this resolution.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 3, 2024, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES:	Commissioners	_____
NOES:	Commissioners	_____
ABSENT:	Commissioners	_____
ABSTAIN:	Commissioners	_____

\_\_\_\_\_  
Anne Cottrell  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer

Recorded by: Stephanie Pratt  
Clerk/Jr. Analyst

Napa LAFCO Work Program for Fiscal Year 2024-25			
		Timeline	Comments
STUDIES	Countywide Fire & EMS MSR (Consultant)	Draft report in Oct 2024	Previous Countywide Fire MSR completed in 2006. Contracting with AP Triton to prepare the report.
	County Service Area No. 4 MSR & SOI (In-House)	Draft report in Dec 2024	Previous MSR & SOI completed in 2017. Will initiate following completion of County report on farmworker housing needs.
	Napa Sanitation District SOI (In-House)	Draft report in Feb 2025	Previous MSR completed in 2014 (Central County Region MSR). Previous SOI completed in 2015. Staff has engaged District staff, County staff, and interested community members to identify potential SOI study areas.
	City of St. Helena MSR & SOI (In-House)	Draft report in June 2025	Previous MSR & SOI completed in 2008.
ADMINISTRATION	Audit	Annual	Presented by the County Auditor-Controller annually in December.
	Budget	Annual	Ad hoc Budget Committee appointed annually in December to assist staff in preparing budget and work program. Staff presents quarterly budget reports.
	Legislation	Annual	Ad hoc Legislative Committee appointed annually in December to review state legislation and recommend formal positions.
	New Commissioner Orientation	Ongoing	Mandatory in-person orientation process for new commissioners. Develop commissioner handbook.
	Policies	Ongoing	Policy amendments will be proposed as needed. Policy Manual updated accordingly.
	Proposals	Ongoing	See "Current and Future Proposals" staff report on each meeting agenda for a status update.
	Staff Training	Ongoing	Clerk/Jr. Analyst requires ongoing training on LAFCO's administrative functions and application processing.
	Website/Document Management	Ongoing	Staff continuously updates information on website including agendas, minutes, meeting recordings, audits, budgets, etc.
OTHER	LAFCO Independence	ASAP	Strategic plan goal to enhance independence. Ad hoc subcommittee assisting staff in review of Support Services Agreement with Napa County.
	Special Projects & Studies	TBD	To be determined in budget cycle and strategic planning. Typically involves a contract with a consultant to be funded with reserves. See Countywide Fire & EMS MSR in "Studies".
	Education & Outreach to Stakeholders & Public	Ongoing	Proactive engagement with local agencies. Conduct regular presentations. Leverage website whenever possible.
	Climate Resiliency in LAFCO's Work	Ongoing	Research policies & best practices of other LAFCOs. Consider adopting additional local policies.
	Coordination & Provision of Broadband Services	TBD	Participate in the North Bay Broadband Consortium. Coordinate with other LAFCOs.
	2024 CALAFCO Annual Conference	October 16 - 18, 2024	Location is Tenaya Lodge near Yosemite. All staff and commissioners encouraged to attend
	2025 CALAFCO Staff Workshop	TBD	Location to be determined. All staff encouraged to attend.
<b>Work Program Adopted on June 3, 2024</b>			



## LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

### *Budget Policy*

(Adopted: August 9, 2001; Last Amended: November 18, 2019)

#### **I. Background**

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for establishing a budget and for the receipt of funds. [Government Code \(G.C.\) §56381](#) establishes that the Commission shall annually adopt a budget for the purpose of fulfilling its duties under CKH.

#### **II. Purpose**

It is the intent of the Commission to adopt a policy for budget purposes which establishes procedures for compiling, adopting and administering the budget. The Commission is committed to providing transparency of its operations including its fiscal activities. The Commission follows recognized accounting principles and best practices in recognition of its responsibility to the public.

#### **III. Preparation of Annual Budget**

- A) An annual budget shall be prepared, adopted and administered in accordance with [\(G.C.\) §56381](#).
- B) The Commission should annually consider the Fee Schedule, including any anticipated changes, and Work Program in conjunction with the budget process.
- C) The Commission is committed to ensuring the agency is appropriately funded each fiscal year to effectively meet its prescribed regulatory and planning responsibilities. The Commission is also committed to controlling operating expenses to reduce the financial obligations on the County of Napa, the cities and town, hereafter referred to as the “funding agencies,” whenever possible and appropriate.
- D) The budget shall include an undesignated/unreserved fund balance equal to a minimum of one-third (i.e., four months) of annually budgeted operating expenses.
- E) The Commission shall establish an ad-hoc budget committee at the last meeting of each calendar year comprising of two Commissioners which will terminate with the adoption of the final budget. Commissioners appointed to a budget committee shall receive a regular per diem payment for each meeting attended.
- F) The adopted final budget should be posted on the Commission’s website for public viewing for a minimum of five years.
- G) The Executive Officer shall provide quarterly budget reports to the Commission for informational purposes.



#### IV. Budget Contributions and Collection of Funds

[G.C. §56381](#) establishes that the Commission shall adopt annually a budget for the purpose of fulfilling its duties under CKH. It further establishes that the County Auditor shall apportion the operating expenses from this budget in the manner prescribed by [G.C. §56381\(b\)](#), or in a manner mutually agreed upon by the agencies responsible for the funding of the Commission's budget [G.C. §56381\(c\)](#) states that:

After apportioning the costs as required in subdivision (b), the auditor shall request payment from the Board of Supervisors and from each city no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the County or a city does not remit its required payment within 60 days, the Commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the County or city. The auditor shall provide written notice to the County or city prior to appropriating a share of the property tax or other revenue to the Commission for the payment due the Commission pursuant to this section.

It is the intent of the Commission that all agencies provide the costs apportioned to them from the LAFCO budget. Pursuant to [G.C. §56381\(c\)](#), the policy of the Commission is:

- A) If the County or a city or a town does not remit its required payment within 45 days of the July 1 deadline, the County Auditor shall send written notice to the agency in question that pursuant to [G.C. §56381\(c\)](#) and this policy, the Auditor has the authority to collect the amount of the Commission's operating expenses apportioned to that agency after 60 days from the July 1 deadline.
- B) If the County or a city or a town does not remit its required payment within 60 days of the July 1 deadline, the County Auditor shall collect an amount equivalent to the cost apportioned to that agency from the property tax owed to that agency, or some other eligible revenue deemed appropriate or necessary by the County Auditor. The County Auditor shall send written notice of the action taken to the agency and to the Commission.

## V. Executive Officer Purchasing and Budget Adjustment Authority

Pursuant to [G.C. §56380](#), the Commission shall make its own provision for necessary quarters, equipment, supplies, and services. The associated operating costs are provided for through the Commission's adoption of its annual budget in the manner prescribed in [G.C. §56381](#).

It is the intent of the Commission to charge the LAFCO Executive Officer with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services, and to adjust the annual budget as necessary under certain circumstances. The policy of the Commission is:

- A) The Executive Officer is charged with the responsibility and authority for coordinating and managing the procurement of necessary quarters, equipment, supplies, and services in accordance with applicable laws, regulations and policies.
- B) The Executive Officer is authorized to act as the agent for LAFCO in procuring necessary quarters, equipment, supplies, and services.
- C) Only the Commission itself or the Executive Officer may commit LAFCO funds for the purchase of any necessary quarters, equipment, supplies, or services for LAFCO use.
- D) The Executive Officer is delegated purchasing authority on behalf of LAFCO for necessary quarters, equipment, supplies, and services not to exceed \$5,000 per transaction. The Commission must approve any purchase of necessary quarters, equipment, supplies, and services that exceed the monetary limits set forth in this policy.
- E) Following review and approval by the Chair, the Executive Officer is authorized to make adjustments and administrative corrections to the budget without Commission action provided the adjustments and corrections are within the total budget allocations adopted by the Commission.
- F) Following review and approval by the Chair, the Executive Officer is authorized to adjust the budget for purposes of carrying over to the new fiscal year any encumbered funds that have been approved by the Commission in a prior fiscal year and involve unspent balances. Said funds include committed contracts for services that were not completed in the prior fiscal year and must be re-encumbered by way of a budget adjustment in the new fiscal year.



**LOCAL AGENCY FORMATION COMMISSION  
OF NAPA COUNTY**

**TWO YEAR STRATEGIC PLAN  
JULY 1, 2023 – JUNE 30, 2025**

**ADOPTED ON OCTOBER 2, 2023**

**MISSION STATEMENT OF THE  
LOCAL AGENCY FORMATION COMMISSION  
OF NAPA COUNTY**

The **Local Agency Formation Commission of Napa County** is committed to serving the citizens and government agencies of its jurisdiction by encouraging the preservation of agricultural lands and open-space and coordinating the efficient delivery of municipal services.



# VALUES OF THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

The *Local Agency Formation Commission of Napa County* is deeply invested in the communities we serve. We are committed to the mission of LAFCO and place high value in that which allows us to successfully partner with all stakeholders in service to the communities of Napa County.



# FY 2023-24 / 2024-25 Napa LAFCO Goals

Goal: Understand how the 2020 Water-Wastewater Municipal Service Review may benefit the region



Assess & prioritize recommendations



Engage stakeholder partners

Goal: Initiate & complete the countywide Fire-EMS Municipal Service Review



Initiate & complete the Municipal Service Review

**Goal: Continue gaining greater LAFCO independence**  
(Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)



Amend the agreement between  
LAFCO & County to create greater  
independence

## **The Commission**

Margie Mohler, Chair  
City Member (Town of Yountville)

Anne Cottrell, Vice Chair  
County Member (Third Supervisorial District)

Kenneth Leary, Commissioner  
Public Member

Beth Painter, Commissioner  
City Member (City of Napa)

Belia Ramos  
County Member (Fifth Supervisorial District)

Mariam Aboudamous, Alternate Commissioner  
City Member (City of American Canyon)

Joelle Gallagher, Alternate Commissioner  
County Member (First Supervisorial District)

Eve Kahn, Alternate Commissioner  
Public Member

## **The Commission Staff**

Brendon Freeman, Executive Officer  
Dawn Mittleman Longoria, Assistant Executive Officer  
Stephanie Pratt, Clerk/Jr. Analyst  
Gary Bell, Legal Counsel (Colantuono, Highsmith & Whatley)





**Services and Supplies Expenses - Administration Services (Account 52100)**

<b>Account</b>	<b>Category</b>	<b>FY23-24 Amount</b>	<b>FY24-25 Amount</b>	<b>Difference</b>
51100	Salaries and Wages	\$ 395,246	\$ 421,018	\$ 25,772
51200	401A Employer Contribution	\$ 3,200	\$ 3,600	\$ 400
51205	Cell Phone Allowance	\$ 455	\$ 455	\$ -
51300	Medicare - Staff	\$ 5,731	\$ 5,872	\$ 141
51400	Employee Insurance-Premiums	\$ 67,054	\$ 63,684	\$ (3,370)
51405	Worker's Compensation	\$ 692	\$ 876	\$ 184
51600	PERS Retirement	\$ 79,226	\$ 107,232	\$ 28,006
51605	OPEB	\$ 7,411	\$ 11,851	\$ 4,440
<b>TOTAL</b>		<b>\$ 559,015</b>	<b>\$ 614,588</b>	<b>\$ 55,573</b>

## Staff Salaries and Wages

Projected Salary Earnings	Hourly Rate	Hours	Amount
<b>Brendon Freeman, Executive Officer (1.0 FTE)</b>			
Step 5: Current Hourly Rate	\$ 86.88		
Post-COLA @ 3.0%	\$ 89.49	2080	\$ 186,131.71
Management Leave Cashout	\$ 89.49	80	\$ 7,158.91
Vacation Cashout	\$ 89.49	40	\$ 3,579.46
Car Allowance (flat annual amount)			\$ 5,280.00
Total pay all inclusive			<u>\$ 202,150.08</u>
<b>Dawn Mittleman Longoria, Assistant Executive Officer (1.0 FTE)</b>			
Step 5: Current Hourly Rate	\$ 63.05		
Post-COLA @ 3.0%	\$ 64.94	2080	\$ 135,078.32
Management Leave Cashout	\$ 64.94	0	\$ -
Vacation Cashout	\$ 64.94	0	\$ -
Total pay all inclusive			<u>\$ 135,078.32</u>
<b>Stephanie Pratt, Clerk/Jr. Analyst (1.0 FTE)</b>			
Step 2: Current Hourly Rate	\$ 37.44		
Step 3: Hourly Rate After Step Increase	\$ 39.11		
Post-COLA @ 3.0%	\$ 40.28	2080	\$ 83,789.26
Total pay all inclusive			<u>\$ 83,789.26</u>
		<b>TOTAL</b>	<b>\$ 421,017.66</b>

## Intergovernmental Revenues - Agency Contributions

### 2024-25 Agency Contributions Calculation

Step 1	Total Agency Contributions	FY23-24 <u>Adopted</u>	FY24-25 <u>Final</u>	Difference <u>Dollars</u>	Difference <u>Percentage</u>			
	Total	679,476.00	782,950.00	\$ 103,474.00	15.2%			
Step 2	Allocation Between County and Cities	FY23-24 <u>Adopted</u>	FY24-25 <u>Final</u>	Difference <u>Dollars</u>	Difference <u>Percentage</u>			
	50% to the County of Napa	\$ 339,738.00	\$ 391,475.00	\$ 51,737.00	15.2%			
	50% to the 5 Cities	\$ 339,738.00	\$ 391,475.00	\$ 51,737.00	15.2%			
Step 3a	Cities' Share Based on Total General Tax Revenues	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Governmental Funds Revenues in FY21-22	\$ 36,812,431	\$ 22,131,637	\$ 153,208,869	\$ 25,357,874	\$ 17,383,735	\$ 254,894,546	
	Percentage of Total General Tax Revenues	14.4%	8.7%	60.1%	9.9%	6.8%	100%	
Step 3b	Cities' Share Based on Total Population	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Population on 1/1/24	21,758	5,142	77,174	5,314	2,781	112,169	
	Percentage of Total Population	19.4%	4.6%	68.8%	4.7%	2.5%	100%	
Step 4	Cities Allocation Formula	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Share Based on Total General Taxes	14.4%	8.7%	60.1%	9.9%	6.8%	100%	
	Portion of Allocation to LAFCO Budget	22,615.07	13,596.18	94,121.19	15,578.17	10,679.39	<b>40%</b>	
	Share Based on Total Population *	19.4%	4.6%	68.8%	4.7%	2.5%	100%	
	Portion of Allocation to LAFCO Budget	45,561.86	10,767.49	161,604.50	11,127.66	5,823.49	<b>60%</b>	
	Total Agency Allocation	\$ 68,176.93	\$ 24,363.67	\$ 255,725.68	\$ 26,705.83	\$ 16,502.88	\$ 391,475.00	
	Allocation Share	17.4%	6.2%	65.3%	6.8%	4.2%	100%	
Step 5	FY24-25 Invoices	<u>County of Napa</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Agencies</u>
	\$	391,475.00	\$ 68,176.93	\$ 24,363.67	\$ 255,725.68	\$ 26,705.83	\$ 16,502.88	\$ 782,950.00
	<i>Difference From FY23-24:</i>	\$ 51,737.00	\$ 6,941.79	\$ 4,021.42	\$ 33,046.04	\$ 4,096.75	\$ 3,630.99	\$ 103,474.00
		15.2%	11.3%	19.8%	14.8%	18.1%	28.2%	15.2%

## Intergovernmental Revenues - Agency Contributions

### 2024-25 Agency Contributions Calculation

Step 1	Total Agency Contributions	FY23-24 <u>Adopted</u>	FY24-25 <u>Final</u>	Difference <u>Dollars</u>	Difference <u>Percentage</u>			
	Total	679,476.00	806,065.00	\$ 126,589.00	18.6%			
Step 2	Allocation Between County and Cities	FY23-24 <u>Adopted</u>	FY24-25 <u>Final</u>	Difference <u>Dollars</u>	Difference <u>Percentage</u>			
	50% to the County of Napa	\$ 339,738.00	\$ 403,032.50	\$ 63,294.50	18.6%			
	50% to the 5 Cities	\$ 339,738.00	\$ 403,032.50	\$ 63,294.50	18.6%			
Step 3a	Cities' Share Based on Total General Tax Revenues	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Governmental Funds Revenues in FY21-22	\$ 36,812,431	\$ 22,131,637	\$ 153,208,869	\$ 25,357,874	\$ 17,383,735	\$ 254,894,546	
	Percentage of Total General Tax Revenues	14.4%	8.7%	60.1%	9.9%	6.8%	100%	
Step 3b	Cities' Share Based on Total Population	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Population on 1/1/24	21,758	5,142	77,174	5,314	2,781	112,169	
	Percentage of Total Population	19.4%	4.6%	68.8%	4.7%	2.5%	100%	
Step 4	Cities Allocation Formula	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Cities</u>	
	Share Based on Total General Taxes	14.4%	8.7%	60.1%	9.9%	6.8%	100%	
	Portion of Allocation to LAFCO Budget	23,282.74	13,997.58	96,899.92	16,038.08	10,994.68	<b>40%</b>	
	Share Based on Total Population *	19.4%	4.6%	68.8%	4.7%	2.5%	100%	
	Portion of Allocation to LAFCO Budget	46,906.98	11,085.38	166,375.54	11,456.19	5,995.42	<b>60%</b>	
	Total Agency Allocation	\$ 70,189.71	\$ 25,082.96	\$ 263,275.46	\$ 27,494.26	\$ 16,990.10	\$ 403,032.50	
	Allocation Share	17.4%	6.2%	65.3%	6.8%	4.2%	100%	
Step 5	FY24-25 Invoices	<u>County of Napa</u>	<u>American Canyon</u>	<u>Calistoga</u>	<u>Napa</u>	<u>St. Helena</u>	<u>Yountville</u>	<u>All Agencies</u>
	\$	403,032.50	\$ 70,189.71	\$ 25,082.96	\$ 263,275.46	\$ 27,494.26	\$ 16,990.10	\$ 806,065.00
	<i>Difference From FY23-24:</i>	\$ 63,294.50	\$ 8,954.57	\$ 4,740.71	\$ 40,595.82	\$ 4,885.19	\$ 4,118.21	\$ 126,589.00
		18.6%	14.6%	23.3%	18.2%	21.6%	32.0%	18.6%

## Fully Burdened Hourly Rate Calculation for FY 24-25

### Step One: Calculate Hourly Input Rates

#### Input One: Hourly Staff Salaries

Year	Executive Officer	Assistant EO	Clerk/Jr. Analyst
2024-25	\$ 97.19	\$ 64.94	\$ 40.28

#### Input Two: Hourly Staff Benefits

Category	Executive Officer	Assistant EO	Clerk/Jr. Analyst
401A Employer Contribution	\$ 0.87	\$ 0.87	\$ -
Cell Phone Allowance	\$ 0.22	\$ -	\$ -
Medicare	\$ 1.30	\$ 0.94	\$ 0.58
Employee Insurance: Premiums	\$ 11.97	\$ 11.84	\$ 6.80
Workers Compensation	\$ 0.14	\$ 0.14	\$ 0.14
Retirement	\$ 22.55	\$ 17.89	\$ 11.11
Other Post Employment Benefits	\$ 1.90	\$ 1.90	\$ 1.90
<b>Total</b>	<b>\$ 38.95</b>	<b>\$ 33.58</b>	<b>\$ 20.53</b>

#### Input Three: Hourly Overhead Costs

Category	Budgeted Amount	Hourly Costs
Commissioner Per Diems	\$ 18,000.00	\$ 8.65
Medicare - Commissioners	\$ 300.00	\$ 0.14
FICA - Commissioners	\$ 700.00	\$ 0.34
Accounting/Auditing Services	\$ 7,500.00	\$ 3.61
Information Technology Services	\$ 27,746.00	\$ 13.34
ITS Communications Charges	\$ 2,757.00	\$ 1.33
Legal Services	\$ 35,000.00	\$ 16.83
Consulting Services	\$ 45,000.00	\$ 21.63
Janitorial Services	\$ 300.00	\$ 0.14
Maintenance-Software	\$ 1,512.00	\$ 0.73
Rents and Leases: Equipment	\$ 3,000.00	\$ 1.44
Rents and Leases: Building/Land	\$ 27,570.00	\$ 13.25
Insurance: Liability	\$ 922.00	\$ 0.44
Communications/Telephone	\$ 3,000.00	\$ 1.44
Publications and Notices	\$ 1,000.00	\$ 0.48
Filing Fees	\$ 200.00	\$ 0.10
Training/Conference	\$ 19,999.60	\$ 9.62
Business Travel/Mileage	\$ 1,000.00	\$ 0.48
Office Supplies	\$ 2,500.00	\$ 1.20
Freight/Postage	\$ 100.00	\$ 0.05
Books/Media/Subscriptions	\$ 119.00	\$ 0.06
Memberships/Certifications	\$ 3,411.00	\$ 1.64
Utilities: Electric	\$ 2,500.00	\$ 1.20
Computer Equipment/Accessories	\$ -	\$ -
Computer Software/License	\$ 225.00	\$ 0.11
Business Related Meal/Supplies	\$ 1,000.00	\$ 0.48
<b>Total</b>	<b>\$ 204,361.60</b>	<b>\$ 98.25</b>

### Step Two: Calculate Hourly Staff Rates Per Budgeted Position

Input	Executive Officer	Assistant EO	Clerk/Jr. Analyst
Hourly Staff Salaries	\$ 97.19	\$ 64.94	\$ 40.28
Hourly Staff Benefits	\$ 38.95	\$ 33.58	\$ 20.53
Hourly Overhead Costs	\$ 98.25	\$ 98.25	\$ 98.25
<b>Total</b>	<b>\$ 234.39</b>	<b>\$ 196.77</b>	<b>\$ 159.07</b>

### Step Three: Calculate a Weighted Hourly Staff Rate

Factor	Executive Officer	Assistant EO	Clerk/Jr. Analyst
Calculated Hourly Rate	\$ 234.39	\$ 196.77	\$ 159.07
% Time Processing Applications	25%	25%	50%

**Fully Burdened Hourly Rate: \$ 187.32**

## Fully Burdened Hourly Rate Calculation for FY 24-25

### Step One: Calculate Hourly Input Rates

#### Input One: Hourly Staff Salaries

Year	Executive Officer	Assistant EO	Clerk/Jr. Analyst
2024-25	\$ 97.19	\$ 64.94	\$ 40.28

#### Input Two: Hourly Staff Benefits

Category	Executive Officer	Assistant EO	Clerk/Jr. Analyst
401A Employer Contribution	\$ 0.87	\$ 0.87	\$ -
Cell Phone Allowance	\$ 0.22	\$ -	\$ -
Medicare	\$ 1.30	\$ 0.94	\$ 0.58
Employee Insurance: Premiums	\$ 11.97	\$ 11.84	\$ 6.80
Workers Compensation	\$ 0.14	\$ 0.14	\$ 0.14
Retirement	\$ 22.55	\$ 17.89	\$ 11.11
Other Post Employment Benefits	\$ 1.90	\$ 1.90	\$ 1.90
<b>Total</b>	<b>\$ 38.95</b>	<b>\$ 33.58</b>	<b>\$ 20.53</b>

#### Input Three: Hourly Overhead Costs

Category	Budgeted Amount	Hourly Costs
Commissioner Per Diems	\$ 18,000.00	\$ 8.65
Medicare - Commissioners	\$ 300.00	\$ 0.14
FICA - Commissioners	\$ 700.00	\$ 0.34
Accounting/Auditing Services	\$ 10,000.00	\$ 4.81
Information Technology Services	\$ 26,765.00	\$ 12.87
ITS Communications Charges	\$ -	\$ -
Legal Services	\$ 50,000.00	\$ 24.04
Consulting Services	\$ 45,000.00	\$ 21.63
Janitorial Services	\$ 300.00	\$ 0.14
Maintenance-Software	\$ 1,512.00	\$ 0.73
Rents and Leases: Equipment	\$ 3,000.00	\$ 1.44
Rents and Leases: Building/Land	\$ 27,570.00	\$ 13.25
Insurance: Liability	\$ 1,000.00	\$ 0.48
Communications/Telephone	\$ 4,500.00	\$ 2.16
Publications and Notices	\$ 1,000.00	\$ 0.48
Filing Fees	\$ 200.00	\$ 0.10
Training/Conference	\$ 19,999.60	\$ 9.62
Business Travel/Mileage	\$ 1,000.00	\$ 0.48
Office Supplies	\$ 2,500.00	\$ 1.20
Freight/Postage	\$ 100.00	\$ 0.05
Books/Media/Subscriptions	\$ 119.00	\$ 0.06
Memberships/Certifications	\$ 3,411.00	\$ 1.64
Utilities: Electric	\$ 2,500.00	\$ 1.20
Computer Equipment/Accessories	\$ 5,000.00	\$ 2.40
Computer Software/License	\$ 3,000.00	\$ 1.44
Business Related Meal/Supplies	\$ 1,000.00	\$ 0.48
<b>Total</b>	<b>\$ 227,476.60</b>	<b>\$ 109.36</b>

### Step Two: Calculate Hourly Staff Rates Per Budgeted Position

Input	Executive Officer	Assistant EO	Clerk/Jr. Analyst
Hourly Staff Salaries	\$ 97.19	\$ 64.94	\$ 40.28
Hourly Staff Benefits	\$ 38.95	\$ 33.58	\$ 20.53
Hourly Overhead Costs	\$ 109.36	\$ 109.36	\$ 109.36
<b>Total</b>	<b>\$ 245.50</b>	<b>\$ 207.89</b>	<b>\$ 170.18</b>

### Step Three: Calculate a Weighted Hourly Staff Rate

Factor	Executive Officer	Assistant EO	Clerk/Jr. Analyst
Calculated Hourly Rate	\$ 245.50	\$ 207.89	\$ 170.18
% Time Processing Applications	25%	25%	50%

**Fully Burdened Hourly Rate: \$ 198.44**



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

### Schedule of Fees and Deposits

Effective Date: ~~January~~ July 1, 2024

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling LAFCO's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

1. This schedule shall be administered in accordance with the provisions of [Government Code \(G.C.\) §56383](#).
2. This schedule includes both "fixed" and "at-cost" fees. Fixed fees represent reasonable cost estimates for processing routine applications and based on a number of predetermined staff hours. At-cost fees apply to less routine applications and based on the number of actual staff hours. Staff time is charged at a fully burdened hourly rate of ~~\$170~~ 187.32.
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12. If the processing of an application requires LAFCO to contract with another agency, firm, or individual for services beyond the normal scope of staff work, such as preparing an Environmental Impact Report or Comprehensive Fiscal Analysis, the applicant shall be responsible for all costs associated with that contract. The applicant will provide LAFCO with a deposit sufficient to cover the cost of the contract.
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16. LAFCO’s ad hoc Budget Committee shall annually review this schedule and recommend updates to help LAFCO maintain an appropriate level of cost-recovery.



**INITIAL APPLICATION FEES**

The following fees must be submitted to LAFCO as part of the application filing. The Executive Officer will identify the specific deposits, fees, and amounts that apply to the application.

**Change of Organization or Reorganization: Annexations and Detachments**

<b>• Exempt from California Environmental Quality Act</b>	
100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	<del>\$5,100</del> <u>5,619.60</u>
Without 100% Consent from Landowners and Agencies where LAFCO is Responsible or Lead Agency	<del>\$6,800</del> <u>7,492.80</u>
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100% Consent from Landowners and Agencies where LAFCO is Responsible Agency	<del>\$5,950</del> <u>6,556.20</u>
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**Change of Organization or Reorganization: Other**

• City Incorporations and Disincorporations	at-cost
• Special District Formations, Consolidations, Mergers, and Dissolutions	at-cost
• Special District Requests to Activate or Deactivate Powers	at-cost

**Other Applications**

• Request for Outside Service Agreement	<del>\$3,400</del> <u>3,746.40</u>
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**Miscellaneous**

• Special Meeting	\$1,200
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• Geographic Information System Update	<del>\$170</del> <u>187.32</u>
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Acre	Fee	Acre	Fee
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1.00-5.99	\$350	101.00-500.99	\$2,000
6.00-10.99	\$500	501.00-1,000.99	\$2,500
11.00-20.99	\$800	1,001.00-2,000.99	\$3,000
21.00-50.99	\$1,200	2,001.00+	\$3,500



## Local Agency Formation Commission of Napa County

Subdivision of the State of California

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

### Schedule of Fees and Deposits

Effective Date: ~~January~~ July 1, 2024

These are the policies of the Local Agency Formation Commission (LAFCO) of Napa County with respect to setting fees and deposits in fulfilling LAFCO's regulatory and planning duties prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

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

1754 Second Street, Suite C
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 8a (Action)

TO: Local Agency Formation Commission
PREPARED BY: Dawn Mittleman Longoria, Assistant Executive Officer DML
Stephanie Pratt, Clerk/Jr. Analyst SP
MEETING DATE: June 3, 2024
SUBJECT: Proposed Redwood Road/Ruston Lane Annexation to the Napa Sanitation District and Associated CEQA Findings

RECOMMENDATION

Adopt the Resolution of the Local Agency Formation Commission of Napa County Making Determinations – Redwood Road - Ruston Lane Annexation to the Napa Sanitation District (NSD) making California Environmental Quality Act (CEQA) findings and approving the proposed annexation (Attachment 1). Standard conditions are also recommended.

BACKGROUND AND SUMMARY

Applicant: Landowner (petition)
Proposed Action: Annexation to NSD
Assessor Parcel Number: 007-261-003
Location: 2550 Redwood Road
Area Size: 1.59 acres
Jurisdiction: City of Napa ("City")
Sphere of Influence Consistency: Yes
Policy Consistency: Yes
Tax Sharing Agreement: Yes – master tax exchange agreement
Landowner Consent: 100%
Protest Proceedings: Waived
CEQA: Exempt
Current Land Uses: Vacant - Three dwelling units demolished March 7, 2024

Purpose: Permanent connection to sewer service for approved subdivision
Development Plans: Yes – six residential units
Application: Attachment 2
Map of Affected Territory: Following page

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Anne Cottrell, Chair
County of Napa Supervisor, 3rd District

Kenneth Leary, Vice Chair
Representative of the General Public

Beth Painter, Commissioner
Councilmember, City of Napa

Belia Ramos, Commissioner
County of Napa Supervisor, 5th District

Eve Kahn, Alternate Commissioner
Representative of the General Public

Mariam Aboudamous, Alternate Commissioner
Councilmember, City of American Canyon

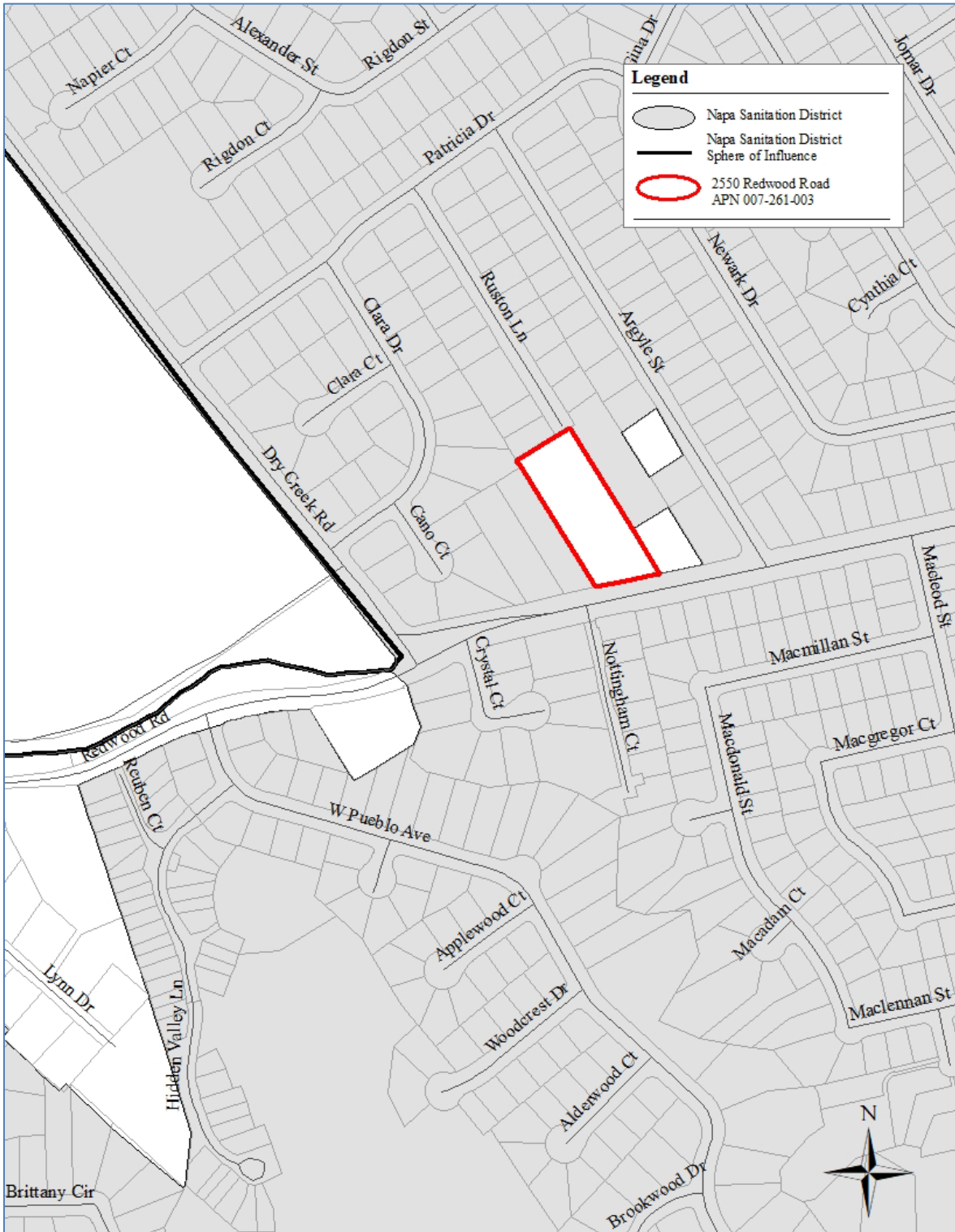
Joelle Gallagher, Alternate Commissioner
County of Napa Supervisor, 1st District

Brendon Freeman
Executive Officer

Proposed Redwood Road/Ruston Lane Annexation to the Napa Sanitation District

June 3, 2024

Page 2 of 3





## **DISCUSSION**

### ***Factors for Commission Determinations***

Mandated Factors: Attachment 3

### ***Property Tax Agreement***

Master Property Tax Agreement: No change in allocation for annexations to NSD

### ***Protest Proceedings***

Waived: Legally uninhabited with 100% consent of property owners<sup>1</sup>

## **ENVIRONMENTAL REVIEW**

Exemptions:

1. Installation of new pipeline less than one mile<sup>2</sup>
  - a. Current and future residential units would connect via sewer main and/or laterals from existing sewer main
2. Existing structures developed to density allowed in current zoning<sup>3</sup>
  - a. Any future development would require review and approval by the City

## **ATTACHMENTS**

- 1) Draft Resolution Approving the Proposal and Making CEQA Findings
- 2) Application Materials
- 3) Factors for Commission Determinations

---

<sup>1</sup> California Government Code section 56662(a): fewer than 12 registered voters

<sup>2</sup> CEQA Guidelines section 15282(k)

<sup>3</sup> CEQA Guidelines section 15319

RESOLUTION NO. \_\_\_\_

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

**REDWOOD ROAD/RUSTON LANE  
ANNEXATION TO THE NAPA SANITATION DISTRICT**

**WHEREAS**, an application for a proposed reorganization has been filed with the Local Agency Formation Commission of Napa County, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the proposal seeks Commission approval to annex approximately 1.59 acres of incorporated land to the Napa Sanitation District and represents one entire parcel located at 2550 Redwood Road and identified by the County of Napa Assessor’s Office as 007-261-003; and

**WHEREAS**, the Commission’s Executive Officer has reviewed the proposal and prepared a report with recommendations; and

**WHEREAS**, the Executive Officer’s report and recommendations have been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public meeting held on the proposal on June 3, 2024; and

**WHEREAS**, the Commission considered all the factors required by law under Government Code sections 56668 and 56668.3 as well as adopted local policies and procedures; and

**WHEREAS**, the Commission finds the proposal consistent with the sphere of influence established for the Napa Sanitation District; and

**WHEREAS**, the Commission finds that all owners of land included in said proposal consent to the subject annexation; and

**WHEREAS**, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter “CEQA”), the Commission considered available exemptions under CEQA, in accordance with Title 14 of the California Code of Regulations (hereinafter “CEQA Guidelines”); and

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

1. The Factors for Commission Determinations provided in the Executive Officer’s written report are hereby incorporated herein by this reference and are adequate.
2. The underlying activity, annexation of the affected territory, is exempt from further review pursuant to CEQA Guidelines section 15282(k), which exempts the installation of new pipeline as long as the project does not exceed one mile in length. The proposed annexation also qualifies for the statutory exemption from further review under CEQA Guidelines section 15319, which exempts annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or rezoning of either the gaining or losing environmental agency, whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities. The records upon which these findings are made are located at the Commission’s administrative office located at 1754 Second Street, Suite C, Napa, California 94559.
3. The proposal is APPROVED subject to completion of item number 11 below.
4. This proposal is assigned the following distinctive short-term designation:

**REDWOOD ROAD/RUSTON LANE  
ANNEXATION TO THE NAPA SANITATION DISTRICT**

5. The affected territory is shown on the map in the attached Exhibit “A”.
6. The affected territory so described is uninhabited as defined in California Government Code section 56046.
7. The Napa Sanitation District utilizes the regular assessment roll of the County of Napa.
8. The affected territory will be taxed for existing general bonded indebtedness of the Napa Sanitation District.
9. The proposal shall be subject to the terms and conditions of the Napa Sanitation District.
10. The Commission waives conducting authority proceedings in accordance with California Government Code section 56662(a).

- 11. Recordation is contingent upon receipt by the Executive Officer of the following:
  - (a) A final map and geographic description of the affected territory determined by the County Surveyor to conform to the requirements of the State Board of Equalization.
  - (b) All outstanding Commission fees.
  - (c) Written confirmation from the Napa Sanitation District that it is acceptable to record a Certificate of Completion.
- 12. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be recorded within one calendar year unless an extension is requested and approved by the Commission.
- 13. The Commission hereby directs staff to file a Notice of Exemption in compliance with CEQA.

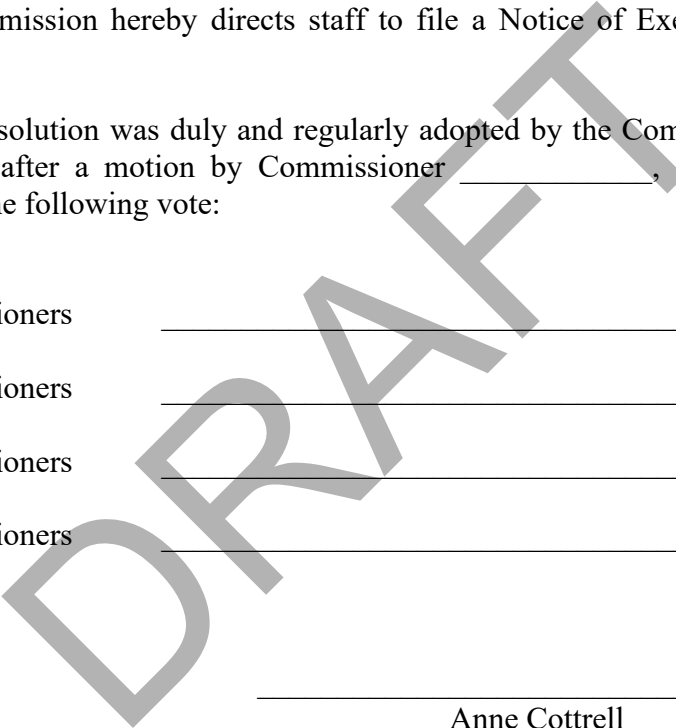
The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 3, 2024, after a motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, by the following vote:

AYES: Commissioners \_\_\_\_\_

NOES: Commissioners \_\_\_\_\_

ABSENT: Commissioners \_\_\_\_\_

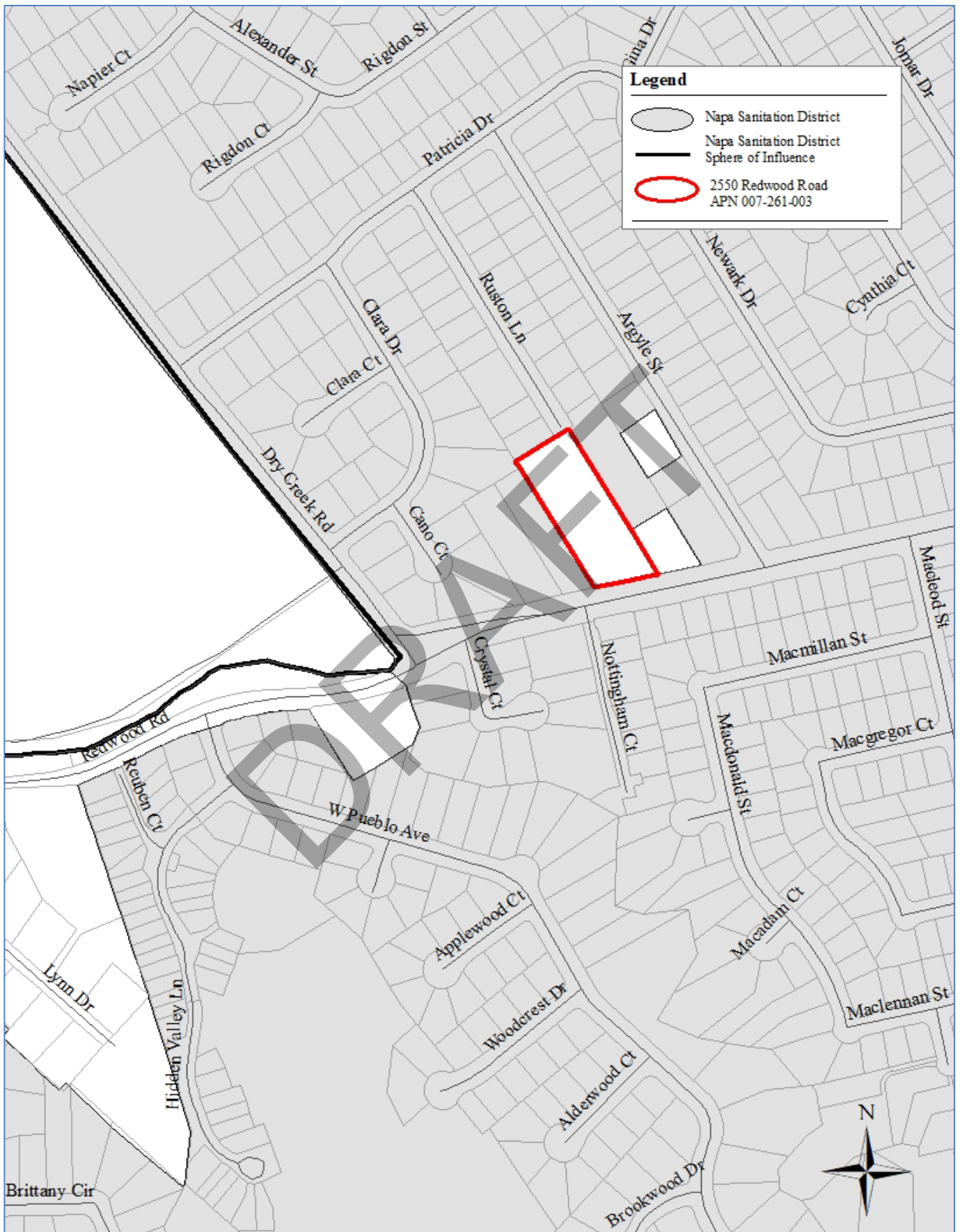
ABSTAIN: Commissioners \_\_\_\_\_



\_\_\_\_\_  
Anne Cottrell  
Commission Chair

ATTEST: \_\_\_\_\_  
Brendon Freeman  
Executive Officer

Recorded by: Stephanie Pratt  
Clerk/Jr. Analyst



FORM D

Date Filed: \_\_\_\_\_

Proposal Name: \_\_\_\_\_

PROPOSAL APPLICATION  
Change of Organization/Reorganization

I. APPLICANT INFORMATION

A. Name: John Glesener  
 Contact Person Agency/Business (If Applicable)

Address: 12885 Alcosta Blvd  
 Street Number Street Name City Zip Code

Contact: (925) 989-9029  
 Phone Number Facsimile Number E-Mail Address

*SAN RAMON 94583*  
*jglesener@castlecamp*

B. Applicant Type: (Check One)

Local Agency       Registered Voter       Landowner

II. PROPOSAL DESCRIPTION

A. Affected Agencies: LAFCO 1754 Second Street, Suite C Napa, California 94559  
 Name Address

NapaSan      1515 Soscol Ferry Road 1515 Soscol Ferry Road Napa, CA 94558  
 Name Address

Name Address

Use Additional Sheets as Needed

B. Proposal Type: (Check as Needed)

Annexation       Detachment       City Incorporation       District Formation

City/District Dissolution       City/District Merger       Service Activation (District Only)       Service Divestiture (District Only)

C. Purpose Statement: (Specific)

Castle Ventures23, LLC (the "Applicant") proposes to initiate a change of organization to include the annexation of the subject parcel, currently owned by the Applicant, into the NapaSan service area. This annexation is sought in conjunction with the Applicant's development project, which requires the provision of sanitary sewer services to meet current and future needs of the proposed sewer requirements.

**III. GENERAL INFORMATION**

<b>A. Location:</b>	2005 Redwood Road Napa , CA	007-261-003	1.59
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Street Address	Assessor Parcel Number	Acres
	Total Location Size (Including Right-of-Ways)		<u>1.59</u>

**B. Landowners:**

- (1) Assessor Parcel Number : 007-261-003 Name: Louis Baldacci  
 Mailing Address: 12885 Alcosta Blvd  
 Phone Number: (925) 328-1000 E-mail: lbadlacci@castlecompanies.com
- (2) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_
- (3) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_
- (4) Assessor Parcel Number : \_\_\_\_\_ Name: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

*Use Additional Sheets As Needed*

**C. Population:**

- (1) Total Number of Residents: 0
- (2) Total Number of Registered Voters: na

**D. Land Use Factors:**

(1a) County General Plan Designation: R-7

(1b) County Zoning Standard: Single Family Residential, Minimum Lot Size 7,000 Sq Ft

(2a) Applicable City General Plan Designation: Residential

(2b) Applicable City Pre-zoning Standard:  
(Required for City Annexations) \_\_\_\_\_

**E. Existing Land Uses:** x3 d/u previously existed. All three renters departed Mar 2023.  
(Specific) \_\_\_\_\_  
Property was vacant between Mar 2023 - Mar 2024.  
\_\_\_\_\_  
Building we demolished 3/07/2024.  
\_\_\_\_\_

**F. Development Plans:**

(1a) Territory Subject to a Development Project?  Yes  No

(1b) If Yes, Describe Project: Subject to Signed Tentative Map and the Conditions of approval  
R23-0065. x6 Single family lots with public and private improvements  
\_\_\_\_\_

(1c) If No, When Is Development Anticipated? \_\_\_\_\_

**G. Physical Characteristics:**

(1) Describe Topography: Flat, minimal tree coverage, property shape is trapezoid  
none  
\_\_\_\_\_

(2) Describe Any Natural Boundaries: @ 2ft of exploratory boring,  
liquid limit = 43, plasticity index =21, med sand = 1%, silt = 50%  
\_\_\_\_\_

(3) Describe Soil Composition and Any Drainage Basins: Minimal vegetation left. Mostly low grass  
and small bushes.  
\_\_\_\_\_

(4) Describe Vegetation: \_\_\_\_\_  
\_\_\_\_\_

**H. Williamson Act Contracts**  
(Check One)

Yes

No



IV. GOVERNMENTAL SERVICES AND CONTROLS

A. Plan For Providing Services:

(1) Enumerate and Describe Services to Be Provided to the Affected Territory:

(1) Requesting LAFCO TO ANNEX SITE

(2) Requesting Napa San to Serve location after annex

(2) Level and Range of Services to Be Provided to the Affected Territory:

NapaSan provides wastewater collection, treatment, and water recycling s

ervices to residents of the City of Napa and surrounding unincorporated areas

(3) Indication of When Services Can Feasibly Be Extended to the Affected Territory:

As quickly as possible

(4) Indication of Any Infrastructure Improvements Necessary to Extend Services to the Affected Territory:

In order to receive services from Napa San, We would need LAFCO to annex us.

After Annexation complete, we will still need to get improvement plans approved by NSD.

After NSD approves plans, we can only receive services when all improvements are complete

(5) Information On How Services to the Affected Territory Will Be Financed:

Self Funded, if plan changes we will update

V. ENVIRONMENTAL INFORMATION

A. Environmental Analysis (City annexations require pre-zoning.)

(1) Lead Agency for Proposal: \_\_\_\_\_  
Name

(2) Type of Environmental Document Previously Prepared for Proposal:

Environmental Impact Report

Negative Declaration/Mitigated Negative Declaration

Categorical/Statutory Exemption: \_\_\_\_\_  
Type

None

*Provide Copies of Associated Environmental Documents*

VI. ADDITIONAL INFORMATION

A. Approval Terms and Conditions Requested For Commission Consideration:

Supplement LAFCO with R23-0065 Exhibit A and Soils Report

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Use Additional Sheets As Needed*

B. Identify Up to Three Agencies or Persons to Receive Proposal Correspondence:

(Does not include affected landowners or residents)

(1) Recipient Name: Louis Baldacci  
Mailing Address: 12885 Alcosta Blvd San Ramon, CA 94583  
E-Mail: LBALDACCI@CASTLECOMPANIES.COM

(2) Recipient Name: John Glesener  
Mailing Address: 12885 Alcosta Blvd San Ramon, CA 94583  
E-Mail: JGLESENER@castlecompanies.com

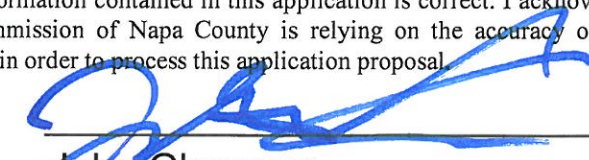
(3) Recipient Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
E-Mail: \_\_\_\_\_

**VII. CERTIFICATION**

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I certify the information contained in this application is correct. I acknowledge and agree the Local Agency Formation Commission of Napa County is relying on the accuracy of the information provided in my representations in order to process this application proposal.

Signature:



Printed Name:

John Glesener

Title:

Owner Rep

Date:

3/11/2024

### **FACTORS FOR COMMISSION CONSIDERATION**

Government Code §56668 & §56668.3 require the review of a proposal to include the following factors:

<b>FACTOR TO CONSIDER</b>	<b>COMMENT</b>
1. Population and density [§56668(a)]	<b>Consistent:</b> Population zero (legally uninhabited)
2. Land area and land use [§56668(a)]	<b>Consistent:</b> 1.59 acres, vacant – building demolished March 7, 2024 Jurisdiction: City of Napa
3. Assessed valuation [§56668(a)]	<b>Consistent:</b> Land: \$816,000 Structural improvements: \$612,000
4. Topography, natural boundaries and drainage basins [§56668(a)]	<b>Consistent:</b> Relatively flat: 0 to 10 percent slopes Drainage basin: <i>Napa River – Salvador Channel, Lower Napa City Reach</i>
5. Proximity to other populated areas [§56668(a)]	<b>Consistent:</b> Adjacent lands on the four sides: City of Napa – developed or have residential use designations in the General Plan
6. Likelihood of significant growth in the area, adjacent areas during next 10 years [§56668(a)]	<b>Consistent:</b> City General Plan designation and zoning could allow up to 12 total residential lots; future subdivision has Tentative Map approval by the City. Adjacent area is developed or could develop according to City General Plan.
7. Need for government services [§56668(b)]	<b>Consistent:</b> Existing core services provided by the City of Napa at adequate levels include water, fire, and law enforcement. Need for service is limited to sewer to reduce dependence on septic and facilitate residential subdivision.
8. Government services present cost, adequacy and controls in area [§56668(b)]	<b>Consistent:</b> Analysis: <a href="#">Central County Region Municipal Service Review adopted in 2014</a> and <a href="#">Napa Countywide Water Wastewater MSR Updated 10-4-21</a>
9. Government services probable future needs and controls in area [§56668(b)]	<b>Consistent:</b> Analysis: <a href="#">Central County Region Municipal Service Review adopted in 2014</a> and <a href="#">Napa Countywide Water Wastewater MSR Updated 10-4-21</a>

<p>10. Government services effect of proposal on cost, adequacy and controls in area and adjacent areas</p> <p>[§56668(b)]</p>	<p><b>Consistent:</b> Analysis: <a href="#">Central County Region Municipal Service Review adopted in 2014</a> and <a href="#">Napa Countywide Water Wastewater MSR Updated 10-4-21</a></p>
<p>11. Effects on adjacent areas, mutual social and economic interests, and local governmental structure</p> <p>[§56668(c)]</p>	<p><b>Consistent:</b> Area included in NSD SOI since 1975</p>
<p>12. Effects on planned efficient patterns of urban development</p> <p>[§56668(d)]</p>	<p><b>Consistent:</b> City General Plan land use designation: <i>SFR-7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i></p> <p>City Zoning Code: <i>RS 7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i></p>
<p>13. Effects on maintaining physical and economic integrity of agricultural lands</p> <p>[§56668(e)]</p>	<p><b>Consistent:</b> Within City RUL, not designated for agricultural or open space use</p>
<p>14. Logical, definite, and certain boundaries</p> <p>[§56668(f)]</p>	<p><b>Consistent:</b> One entire parcel, no existing residences</p>
<p>15. Conformance to lines of assessment, ownership</p> <p>[§56668(f)]</p>	<p><b>Consistent:</b> One parcel: APN 007-261-003</p>
<p>16. Creation of islands, corridors, irregular boundaries</p> <p>[§56668(f)]</p>	<p><b>Consistent:</b> Would eliminate an existing pocket of territory substantially surrounded by NSD's boundary</p>
<p>17. Consistency with regional transportation plan</p> <p>[§56668(g)]</p>	<p><b>Consistent:</b> No specific projects in regional transportation plan (RTP), <i>Plan Bay Area 2050</i></p>
<p>18. Consistency with city or county general and specific plans</p> <p>[§56668(h)]</p>	<p><b>Consistent:</b> City General Plan land use designation: <i>SFR-7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i></p> <p>City Zoning Code: <i>RS 7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i></p>
<p>19. Consistency with spheres of influence</p> <p>[§56668(i)]</p>	<p><b>Consistent:</b> Within NSD SOI since 1975</p>

<p>20. Comments from affected agencies and other public agencies [§56668(j)]</p>	<p><b>Consistent:</b> No comments received</p>
<p>21. Ability of agency to provide service including sufficiency of revenues [§56668(k)]</p>	<p><b>Consistent:</b> Analysis: <a href="#">Central County Region Municipal Service Review adopted in 2014</a> and <a href="#">Napa Countywide Water Wastewater MSR Updated 10-4-21</a></p>
<p>22. Timely availability of adequate water supply [§56668(l)]</p>	<p><b>Consistent:</b> Analysis: <a href="#">Central County Region Municipal Service Review adopted in 2014</a> and <a href="#">Napa Countywide Water Wastewater MSR Updated 10-4-21</a></p>
<p>23. Fair share of regional housing needs [§56668(m)]</p>	<p><b>Consistent:</b> Development of subdivision would contribute six units towards housing needs</p>
<p>24. Information or comments from landowners, voters, or residents in proposal area [§56668(n)]</p>	<p><b>Consistent:</b> 100% consent of landowners</p>
<p>25. Existing land use designations [§56668(o)]</p>	<p><b>Consistent:</b> City General Plan land use designation: <i>SFR-7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i> City Zoning Code: <i>RS 7 (Single Family Residential, min. lot size 7,000 sq. ft.)</i></p>
<p>26. Effect on environmental justice [§56668(p)]</p>	<p><b>Consistent:</b> No documentation or evidence suggesting the proposal will have any implication</p>
<p>27. Safety Element of GP concerns; identified as very high fire hazard zone [§56668(q)]</p>	<p><b>Consistent:</b> Not located in a high fire hazard zone or a state responsibility area</p>
<p>28. Special district annexations: for the interest of landowners or inhabitants within the district and affected territory [§56668.3(a)(1)]</p>	<p><b>Consistent:</b> Proposal approval would benefit by providing permanent access to public sewer service, eliminating public health hazard</p>



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

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Napa, California 94559  
Phone: (707) 259-8645  
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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 9a (Discussion)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *BF*  
Dawn Mittleman Longoria, Assistant Executive Officer *DML*

**MEETING DATE:** June 3, 2024

**SUBJECT:** Report from University of California Berkeley on LAFCO and Water System Consolidation

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**BACKGROUND AND SUMMARY**

This item is for discussion purposes only. No actions will be taken as part of this item.

In January 2024, the University of California Berkeley Division of Agriculture and Natural Resources published a report titled, “LAFCO and Water System Consolidation: *Bridging the gap between local and state regulators to stop and reverse water system fragmentation.*” The report is included as Attachment 1.

In summary, the report expounds on the legislative efforts of the State involving the human right to water and ongoing discussions involving the consolidation of small water systems in California. The report also acknowledges the lack of communication and coordination amongst state and local regulators, including LAFCO.

During the preparation of the report, LAFCOs and state regulators participated in surveys and interviews with university personnel. The report has been distributed to each of the 58 LAFCOs and to drinking water stakeholders throughout California.

The university personnel are giving presentations on the report upon request. Last communicated, they have given a presentation to the California Public Utilities Commission (CPUC) and are planning to share the report findings with staff from the State Water Resources Control Board (SWRCB) Division of Drinking Water.

The Commission is invited to discuss the report’s recommendations and provide any feedback to staff, as appropriate.

A summary of report highlights follows.

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Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Vice Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
*Executive Officer*

## ***Report Highlights***

A few years ago, the US Water Alliance and Water Foundation hosted a series of meetings about water systems consolidation in California. One of the gaps identified during these discussions was a need for more resources for local communities on how to design and implement consolidations from a governance perspective. Funding was then provided to academia to explore this issue, and in that process, the role and questions pertaining to LAFCOs were reoccurrences. This led to preparation of the LAFCO and Water System Consolidation report by UC Berkeley. Key highlights of the report follow:

- Achieving the human right to water in California requires ongoing commitment and investment by state legislators and regulators.
- Consolidation and merging of water systems in California has increasingly become a focus to achieve the human right to water effort due to the benefits they offer.
- Implementing consolidations in an efficient and equitable manner is a difficult task due to local politics and funding. LAFCO commissioners may be reluctant to engage in a consolidation discussion or process if a local agency's board does not favor consolidation.
- LAFCOs play a critical role in water system consolidations through their charge to ensure that drinking water provision happens in an orderly manner that does not create additional burdens on residents; however, their role may be impeded by their lack of authority involving private water systems and associated fees.
- LAFCOs' evaluation of municipal services within their county through municipal service reviews (MSRs) plays an important role for evaluating water system consolidation; however, it is noted that some LAFCOs do not conduct MSRs regularly, the conducting of MSRs is impacted by budget and capacity constraints, and the level of detail provided in an MSR varies by county.
- Some MSRs are broad in nature with a focus on the determinations provided within the Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000 (“CKH” or “the Act”). Meanwhile, state regulators focus on the human right to water through compliance with the Safe Drinking Water Act.
- There is a lack of coordination and sharing of information between LAFCOs, CPUC, and drinking water regulators, in particular the SWRCB and a need to improve communication amongst these agencies and regulators involving the sustainability and governance of local water systems. The report offers the following key recommendations to improve in this area:
  - Transmission and connecting of information from MSRs and the annual state drinking water needs assessment prepared by the SWCRB.
  - Early coordination of state regulators and LAFCOs involving water system consolidation projects.



- Standardizing the assessment of consolidation feasibility as part of the MSR process and recommend consolidation, as appropriate.
- Robust and regular MSRs for drinking water service providers.
- There is ambiguity about the role of LAFCOs in addressing the fragmentation of water systems and consolidation because of their lack of oversight involving investor-owned utilities. To address this, LAFCOs were granted the ability to include a discussion of private water systems in MSRs. However, this is often inhibited by resource and information constraints that may lead to a water system most suitable for consolidation falling through the cracks.

### ***Napa Countywide Water and Wastewater MSR***

The Commission completed the *Napa Countywide Water and Wastewater MSR* in November 2020 (later updated with an appendix in October 2021), available online at: [napa.lafco.ca.gov/files/f8a4ec2b4/NapaCountywideWaterWastewaterMSR\\_Updated\\_10-4-21.pdf](https://napa.lafco.ca.gov/files/f8a4ec2b4/NapaCountywideWaterWastewaterMSR_Updated_10-4-21.pdf)

The MSR includes several recommendations related to shared services and facilities, and also included various forms of functional consolidation as options worthy of further evaluation.

Further, the Commission’s strategic plan was adopted in October 2023 and includes the following goal: “Understand how the 2020 Water-Wastewater Municipal Service Review may benefit the region”. The Commission also held a special meeting in September 2023 to conduct a public workshop specific to the recommendations contained within the MSR.

Staff recommends the Commission discuss the UC Berkeley report and any appropriate future steps consistent with the strategic plan goal as stated above.

### **ATTACHMENT**

- 1) LAFCO and Water System Consolidation Report (prepared by UC Berkeley)

# **LAFCo and Water System Consolidation:**

*Bridging the gap between  
local and state regulators  
to stop and reverse  
water system fragmentation*

**JANUARY 2024**



## Authors

**Kristin Dobbin**, Assistant Professor of Cooperative Extension at the University of California Berkeley and the Division of Agriculture and Natural Resources

**Justin McBride**, PhD Candidate in Urban Planning at the University of California Los Angeles

## Acknowledgements

This report was made possible by generous funding from the University of California Agriculture and Natural Resources (Award# 23-7000). We thank Emily Scott for the design of this report and Sunny Singhal for his help with editing. We would also like to thank the following participants in the consolidations research advisory committee for helping to inform the design and implementation of the project: Michael Claiborne, Nataly Escobedo Garcia, Blanca Surgeon, Sara Luquin, Carlos Bravo, Janaki Anagha, Katrina Hiott, Sergio Carranza, Reyna Rodriguez, Bryan Potter, Allisa Hastie, Khalid Osman, and Greg Pierce. Many additional external reviewers from around the state provided valuable feedback on our initial draft for which we are extremely grateful. Any errors are ours alone.

For more information contact Kristin Dobbin at [kbdobbin@berkeley.edu](mailto:kbdobbin@berkeley.edu)

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## Introduction

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In 2012, California passed AB 685 enshrining the human right to water into state law. Achieving this vision is not a simple task, instead it requires ongoing commitment and investment by state legislators and regulators. Water system consolidation, or the merging of two or more water systems, has increasingly become a focus of these efforts due to a wide array of potential benefits. This is particularly true for the state's very small water systems, many of which struggle to achieve consistent regulatory compliance. In the hopes of halting and reversing the proliferation of small water systems, California has implemented policy changes including developing financial incentives for larger water systems to consolidate small systems, introducing new powers to mandate consolidation under specific circumstances, and working to limit permits for new water systems in favor of extending existing systems. With these efforts as well as unprecedented financial investments in consolidation through the new Safe and Affordable Funding for Equity and Resilience (SAFER) program, the state has reduced the total number of public water systems by more than 3% in the last 9 years.<sup>1</sup>

Despite these successes, implementing consolidations in an efficient and equitable manner continues to be a difficult task. A large array of challenges from local politics to funding regularly delay and sometimes prevent consolidations, both between existing systems and for systems intended to serve new industrial or residential development. This report focuses on one such challenge, the need to coordinate and align actions by state and local regulators. Under the Federal Safe Drinking Water Act, the state of California is responsible for ensuring compliance among public water systems. This role has put the State Water Resources Control Board (SWRCB) at the forefront of efforts to reduce the number of small water systems. Nonetheless, changes to drinking water services often implicate changes to local government, thus requiring consultation with, and sometimes the approval of, local regulators.

In particular, in California, county Local Agency Formation Commissions, known as LAFCo, are regional planning and regulatory agencies tasked with “coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify and streamline governmental structure and preparing a sphere of influence for each city and special district within each county.”<sup>2</sup> In this capacity, they have a critical role to play in promoting and implementing water system consolidations for existing and proposed water systems. Because LAFCos regulate boundaries between most public agencies, they often have the final say over water system consolidation projects that involve a local government entity including special districts and cities. Yet in practice, many water system consolidations are conceived of and planned without input from local planners and may only come before LAFCo for formal review after significant resources have already been invested in the project. Much the same can be said for local development plans. To the extent a new development relies on a new public water system, local project proponents may find themselves at odds with state regulators who wish to avoid the creation of additional small water systems they perceive as unsustainable. In these cases, there is significant potential for frustration on all sides when plans are delayed or must be changed due to inadequate coordination, conflicting policies and/or competing priorities.

These examples highlight what can be a wide gulf between drinking water regulators and LAFCos when implementing water system consolidations, whether for existing or new systems. Though intertwined in practice, the two often approach questions of water system fragmentation with distinct perspectives and priorities. Such differences can reverberate beyond individual projects, impacting broader efforts to rationalize drinking water services, increase equitable access, and ensure sustainability under a changing climate. Overwhelmingly LAFCos and state drinking water regulators share goals for promoting equitable,

efficient, and sustainable local drinking water service. Yet we are a long way from the policy alignment necessary to stop, let alone reverse, the proliferation of small water systems.

Drawing on interviews with state regulators and LAFCo representatives, input from state technical assistance providers, and a survey of county LAFCo Executive Officers, this report

aims to: 1) Highlight important intersections between LAFCos' local planning and regulatory roles and state policies and programs that prioritize water system consolidation as a safe drinking water solution; 2) Identify challenges at these intersections that limit progress on shared goals; and 3) Provide recommendations to begin to address these challenges.

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## Section I: Understanding LAFCos and Their Role in Water System Consolidation

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### About LAFCos

Local Agency Formation Commissions (LAFCos) are county-specific independent governmental agencies charged with conducting studies to evaluate, reorganize, and streamline local government functions and services. LAFCos were first created by the State of California in 1963 to manage sprawl. Subsequent legislative updates have gradually increased the scope of LAFCo powers and authorities over time. The most important of these updates occurred in 2000 with the passage of the [Cortese-Knox-Hertzberg Act](#) (CKH).<sup>3</sup> Though amended periodically, the CKH Act remains the most important reference for understanding LAFCo powers and processes.

Each LAFCo is governed by a commission comprised of elected and appointed individuals. Every LAFCo includes representatives of the county's Board of Supervisors and city councils from cities within the county boundaries along with one appointed member of the general public.

Many LAFCos also include board members from special districts within the county. The exact structure of individual LAFCo commissions varies, but a typical commission has at least five, and up to seven, members who serve four-year terms. Though geographically coterminous with every county, LAFCos are politically independent from the county government where they operate. Commission decisions are not subject to oversight, review, or approval by the County Board of Supervisors.

LAFCo commission meetings are public meetings, and as such must be regularly held, open to the public, and are subject to the Ralph M. Brown Act.<sup>4</sup> The work of the commission is carried out by staff, led by an Executive Officer. Staffing levels vary substantially between counties. Some have full-time Executive Officers and up to eight additional full-time staff members, and others have only part-time Executive Officers and minimal, or even no, additional staff ([See Appendix](#)).

### The Cortese-Knox-Hertzberg Act of 2000

The Cortese-Knox-Hertzberg Act of 2000 was the most recent major overhaul of LAFCo powers. It establishes procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations. In carrying out these functions, the Act specifically directs LAFCos to:

- Limit urban sprawl;
- Ensure orderly boundaries between governmental agencies;
- Preserve open space and agricultural lands.

Though LAFCos may have other priorities related to local political preferences, these three mandates are shared to some extent by all LAFCos in accordance with state law.

LAFCoS are funded from two primary sources. First, all LAFCoS receive annual funding from the local governments represented on the commission (county, cities, and sometimes special districts). The size of these contributions varies by county, as each LAFCo sets its own budget. Second, LAFCoS may charge fees for some types of applications or services. These fees are typically borne by the relevant agencies or other applicants (such as landowners) applying for the action in question, for example, an adjustment to a district's jurisdictional boundary.

### **LAFCoS and water system consolidations**

To avoid the duplication of services and ensure that growth occurs in an orderly fashion, one of LAFCoS' primary roles is to regulate and approve changes to the jurisdictional boundaries and planning boundaries of all cities and most special districts (the most notable exception is school districts). As a result, LAFCo will be involved in any consolidation project if one or more of the systems — either consolidating or receiving — is a public agency, specifically a city or a special district.<sup>5</sup> If a consolidation project involves no such water systems, there is no formal role for LAFCo, although if the consolidation involves one or more Investor-Owned Utilities, the California Public Utilities Commission (CPUC) will play a similar oversight role. If a project involves both public and private water systems, LAFCo may only be involved in certain components. For example, if an Investor-Owned Utility takes over water provision in a community previously served by a local agency (as in the case of the Sativa Water District in Los Angeles County), LAFCo would be involved in the dissolution of the public district but not in the “annexation” by the Investor-Owned Utility of the new service area which would instead be approved by the CPUC.

It is important to keep in mind that while a LAFCo's purview includes districts that provide drinking water, LAFCoS do not primarily regulate drinking water providers or their day-to-day operations. Rather, their role is to ensure that drinking water provision happens in an orderly manner that does not create additional burdens on residents, does not conflict with established

local policies or encourage unwanted urban sprawl, and does not create wasteful duplication of services. In other words, in many cases LAFCoS will be concerned with the question: How will this consolidation fit into our broader planning priorities for the county?

The answer to this question will largely depend on the structure of the proposed consolidation. Water system consolidation can be accomplished in many ways including not only district or city consolidation but also through extensions of service, annexations, etc. (See ‘*Bridging differences in terminology*’ box). Any one of these procedures may also trigger reorganizations or dissolutions, all of which may have distinct procedures and requirements for implementation. In some cases, LAFCoS have a preferred pathway for how to accomplish consolidations that will need to be adhered to in order to receive the necessary approvals. However, in other cases, LAFCoS may prefer to make recommendations or determinations based on the specifics of an individual project. We recently surveyed LAFCoS across the state and received responses from 23 of the state's 58 LAFCoS. Nearly 40% of respondents indicated they preferred outright annexation to extraterritorial service agreements whereas 52% reported having no pre-set preference.

Even when a LAFCo has a preference, however, they may still approve exceptions based on specific circumstances. For example, under California law, LAFCoS may (but are not required to) approve a request for a service extension outside of a service providers' jurisdictional boundary and sphere of influence to respond to an “existing or impending threat to the health and safety of the public or the residents of the affected territory”.<sup>6</sup> More than two thirds of survey respondents indicated they had approved such a request in their county. Notably the requirements for doing so vary between counties. Some counties require only a letter from an affected local government body, while others require expert documentation of the threat.

Beyond the need to coordinate with LAFCo on the structure of a proposed consolidation, LAFCo involvement has another important implication: Fees. Given that LAFCoS are authorized to collect

### Bridging Differences In Terminology

This report uses the term “consolidation” in a broad sense to mean the formal merging of some or all functions of drinking water provision between two or more water providers or communities. Consolidation, in this drinking-water focused sense, can happen through a variety of different pathways that vary in not only their implementation but also outcomes (for more information see the 2022 guide [Designing Water System Consolidations](#)). Under this definition, consolidation can include the physical interconnection of existing water system infrastructure (physical consolidation) but it does not have to. Consolidation may instead entail merging only the governance and management functions of two pre-existing systems (managerial consolidation) or extending a water system to serve a domestic well community or new development. This inclusive definition is informed by, and aligned with, the definition state drinking water regulators and community water advocates employ.

However, for a LAFCo, the term consolidation refers to a narrowly defined legal process, closely constrained by state law. The CKH Act defines consolidation as “the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district.” Consolidation in a LAFCo sense always entails the creation of an entirely new district.

While largely semantic, this difference can cause confusion. Projects such as the extension of a community water system to serve residents previously reliant on a state small water system or where a special district like a County Service Area is absorbed into a neighboring city would both be commonly referred to as consolidations among drinking water stakeholders. To a LAFCo representative, however, many such “consolidations” are instead understood as extensions of service, annexations, reorganizations, and/or dissolutions.

fees for services and studies and that some rely on these fees to cover the associated costs of those additional reviews, those seeking to consolidate drinking water services may have to bear the cost of any related study required by state law. LAFCOs have some degree of autonomy in setting fees to compensate for staff time. As such, relevant fees vary significantly between counties. Of the 23 LAFCOs that responded to our survey, estimated total fees associated with a consolidation project ranged from \$0 to \$50,000, depending on the LAFCo and the complexity of the project. Seventy percent of survey respondents said that they waive fees under specific circumstances, the remainder indicated that fee waivers were not available.

### Municipal Service Reviews

Beyond regulating local government boundaries, LAFCOs also play an important role in evaluating municipal services within their county and making recommendations for improvements. The CKH Act mandates that every five years, as necessary, LAFCOs review and update the designated sphere of influence for each city and special district under their jurisdiction.<sup>7</sup> Prior to establishing or updating a sphere of influence, LAFCOs must

perform a special study called a Municipal Service Review (MSR). MSRs are comprehensive studies designed to better inform LAFCo, local agencies, and the community about the provision of municipal services. MSRs can be conducted individually for specific cities or districts, covering all services, or on a county-wide or regional basis focused on specific services.

Based on these requirements, some LAFCOs conduct regular MSRs while others do so only when necessary, such as when a sphere of influence issues arise. Budget and capacity constraints are a major factor influencing how frequently MSRs are conducted. Some LAFCOs reported in interviews that they did not conduct MSRs as frequently as they would like due to high costs.

The requirements related to MSR contents are also loosely bounded, meaning that in practice, the content and level of detail varies by county. Ideally an MSR will have insights into the kinds of things those pursuing consolidation would likely be interested in — water quality, water source reliability, fiscal stability, managerial capacity, and technical expertise. Take for example the recent [Countywide Water Service and Sphere Review](#) by Santa Cruz County which provides significant detail

on system finances, water rates, transparency and local accountability among other items.<sup>8</sup> In other cases, MSRs may have few of these details and thus provide little in the way of local insights either supporting or challenging consolidation efforts (capacity can also be a factor here). By statute, LAFcos are authorized to request information from privately owned water systems as part of their reviews including from mutual water companies.<sup>9</sup> Notably, very few LAFcos currently do so and some LAFcos report mutual water companies have failed to respond to requests for information when they have attempted to include them in MSRs.

### **Approval of new public water systems**

Recognizing the importance of stopping the further proliferation of potentially unsustainable small water systems throughout the state, recent regulatory changes now require that all applications for new public water systems<sup>10</sup> must be approved by the SWRCB. Applicants wishing to construct a new system must apply at least six months before initiating water-related development with an accompanying “preliminary technical report.” The preliminary technical report must analyze the feasibility of connecting to any public water systems within three miles, assess the twenty-year costs of operating the proposed system, and evaluate the sustainability and

**38% of LAFcos report that they evaluate the feasibility of consolidation as part of their MSR process and 61% report that they recommend consolidation in MSR findings where warranted.**

resilience of the proposed system long-term. As part of the assessment of consolidation feasibility, an applicant needs to document contact with LAFco regarding the identified existing water systems. Approval of non-water system related development (e.g., a warehouse facility to be served by the proposed water system), however, remains a local decision and LAFcos retain final authority on areas where services can be provided by the existing water systems of cities and special districts. Thus, there is potential for inconsistent determinations between state and local authorities, which could cause delays and/or lead to potential litigation. These changes increase the need for coordination between state drinking water regulators and local authorities regarding when and where the creation of new water systems is appropriate.

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## **Section II: Challenges**

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Based on our interviews and survey results, in this section we describe seven key challenges that limit effective coordination between state and local regulators with respect to water system consolidation, both among existing and new systems.

### **Lack of communication and information sharing between LAFcos and drinking water regulators**

Although LAFcos, the State Water Resources Control Board (SWRCB), and the California Public Utilities Commission (CPUC) all play key roles relevant to drinking water system consolidations, each has a unique niche in the enforcement patchwork, and

communication between these agencies is limited.

While, in many cases, LAFcos rely on publicly available SWRCB data in developing their MSRs for water services, the MSR process also often generates new information about the status of local water providers, especially regarding the state of system governance and finances. This information can be highly relevant to understanding the potential of a system to encounter future challenges. Yet only 30% of surveyed LAFcos report sharing their MSR findings with drinking water regulators. And while some SWRCB staff do independently seek out and use MSRs when working with a system, not all MSRs are publicly available online.



This lack of information sharing mirrors a general lack of communication between local planners and state drinking water regulators. Nearly all LAFCo Executive Officers we interviewed reported only infrequent contact with state drinking water regulators. The lack of communication creates issues in both directions. On the one hand, the SWRCB may have information about the challenges of local agencies unavailable to LAFCos who often only have infrequent communications with the small water providers under their jurisdiction. Similarly, a LAFCo might be aware of issues which could merit consolidation in the future. These systems might be good candidates for SWRCB intervention, but intervention is unlikely if information does not flow between agencies. On the other hand, the SWRCB may pursue solutions such as consolidation without a clear understanding of locally specific challenges such as conflicting policies, or potential political barriers.

California's other key water agency, the CPUC, regulates Investor-Owned Utilities. The CPUC communicates even less frequently with LAFCos than the SWRCB. This is not surprising, given that LAFCos do not regulate private utilities. But in some cases, LAFCos might be ignorant of potential privately-owned consolidation partners for troubled local government systems or vice-versa, of struggling private systems where governmental systems could expand their service area. Additionally, consolidations involving Investor-Owned Utilities (referred to by the CPUC as acquisitions) can significantly impact local development. Currently there are no specific mechanisms for LAFCos to provide feedback to the CPUC on these matters except to file a motion for party status in an acquisition proceeding which is subject to approval and conditions by a judge.

### **Lack of shared language and vision**

Sometimes, when drinking water stakeholders interested in water system consolidations encounter LAFCos, they find the experience to be frustrating. Often, part of the problem is that LAFCos do not share a common vision or even use the same language to talk about consolidations. As previously mentioned, for LAFCo staff the term

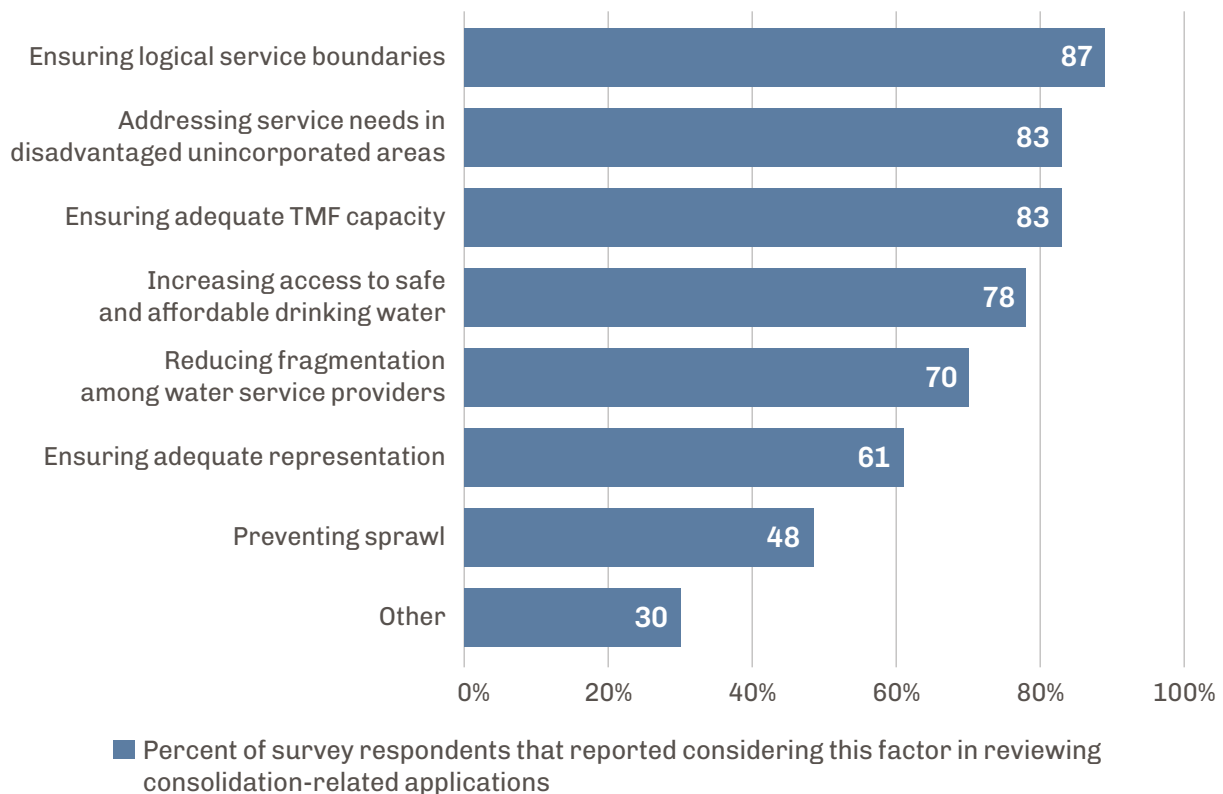
“consolidation” refers to a specific legal process, not a broad suite of options. Conversations that casually use the term consolidation can thus create confusion, since many water system consolidation projects fall under LAFCo descriptions for annexations, dissolutions, extraterritorial service agreements, or other arrangements.

But this challenge is not only semantic. While all parties share a commitment to ensuring efficient, equitable local services, the goals that motivate system consolidation and the metrics by which “success” is assessed in these projects can also vary. State regulators tend to prioritize projects on the basis of Safe Drinking Water Act compliance, cost, and improving system sustainability (i.e., targeting “at-risk” systems). Overall LAFCos take a broader perspective, including considering impacts to different community services as well as county-wide impacts and consistency in long-term planning. This is well demonstrated by the fact that surveyed LAFCos reported considering, on average, more than five different factors when reviewing consolidation-related applications (*Figure 1*). Among these considerations, 30% of LAFCos reported that ensuring adequate Technical, Managerial, and Financial (TMF) capacity was the most important, followed by ensuring logical service boundaries and increasing access to safe and affordable drinking water, each of which was voted most important 26% of respondents. Notably, whereas preventing and reversing water system fragmentation is a top priority of the SWRCB, this consideration did not rise to the top among LAFCos, only 70% of which said they consider system fragmentation when reviewing consolidation-related applications.

### **Diversity in local implementation**

All LAFCos are governed by the CKH Act, but policy occurs just as much in implementation as in statute. Because the CKH leaves substantial autonomy for local LAFCos to tailor their operations to local conditions, implementation varies substantially from LAFCo to LAFCo. The state's rules have few hard guidelines except when it comes to specific procedural actions.

For example, according to statute, LAFCos are supposed to interpret any requests to

**Figure 1. LAFCo considerations in reviewing consolidation related applications by frequency.**

accommodate a system consolidation based on the potential costs and savings, as well as other impacts to local residents. This open-ended set of criteria leaves room for interpretation leading LAFCos to review a wide range of factors as mentioned above. This statute language also allows for LAFCos to have different local policies leading some LAFCos to prioritize specific planning goals, like the prevention of urban sprawl or addressing service needs in unincorporated areas.

LAFCos vary substantially in their preferences regarding consolidation pathways. Technical assistance providers may select a consolidation pathway which they think will best suit the needs of the community they work with. LAFCos will tend to take a more holistic view and measure the proposed benefits of any consolidation project against the potential impact on development and services county-wide. For example, if a consolidation of private wells into a nearby municipal system would extend that city's sphere of influence into

an area slated for non-development purposes, the LAFCo may oppose the project for fear of losing open space. In many cases there are workable compromises that can be found if these goals and constraints are clearly communicated, for example pursuing an Extraterritorial Service Agreement (also called Out-of-Agency, Out-of-Boundary or Outside Service Agreements depending on the county).<sup>11</sup>

### **Unclear roles and responsibilities**

While the SWRCB is committed to stopping and reversing the proliferation of small water systems as part of advancing the Human Right to Water (AB 685), precisely because of the planning and local government implications, there are practical and political limits to their ability to do this work on their own. Yet there is ambiguity, and even disagreement, regarding what the role and responsibilities of local planners such as LAFCos is, or should be, with respect to advancing the same mission.

Generally, LAFcos rely on the SWRCB to flag struggling systems and initiate consolidation processes rather than do so themselves (although in certain counties, LAFcos do sometimes play a more central role in promoting projects). However, LAFcos do not necessarily view this as a positive from a local policy standpoint. Several LAFcos indicated that state-level policymakers and agencies generally lacked an understanding of the intricacies of local implementation of consolidations. Some also regarded state-initiated projects without adequate state financial support as unfunded burdens for the affected communities and for LAFcos themselves.

But locally initiating projects has its own challenges. California state law is clear that, in some circumstances, LAFcos have the power to initiate water system consolidations through district dissolution, even without the consent of targeted district.<sup>12</sup> These types of consolidations are rare, however, for several reasons. Perhaps unsurprisingly, LAFco commissioners are often reluctant to go against locally elected political leaders—some of whom may even sit on the LAFco commission themselves. Second, such actions are subject to public hearings and can be blocked by formal protests from residents, an outcome which is more likely because the threshold for popular motions to block the action is lower in LAFco-initiated proceedings. Third, LAFcos are generally reluctant to force other systems to take

**Nearly 40% of LAFcos report facilitating or supporting local consolidation projects whereas less than 9% report initiating consolidation projects.**

on new customers, even if the receiving system is best suited to serve those communities. LAFcos generally operate under tight budgets and with limited staff, and thus generally require a project proponent to fund any necessary studies to proceed with a dissolution rather than take on the cost from their own budget. Additionally, LAFcos are prohibited from initiating certain consolidation pathways, such as annexations. Thus, even if a LAFco knows consolidation is the best choice, they rarely act as proponents. An exception to this trend is when a local scandal erupts, either around system governance or water quality.

This does not mean, however, that LAFcos do not view themselves as having any role in consolidations. For some LAFcos, considering consolidation options is already a part of their standard operations. Thirty-two percent of surveyed LAFcos reported assessing the feasibility of consolidations as part of MSRs for drinking water service providers. Sixty percent reported recommending system consolidation as part of

### **Consolidating Sativa County Water District Post-Scandal**

When some Compton residents began to notice discolored water in their taps in the spring of 2018, popular protests erupted. One entity was not surprised. Los Angeles (LA) LAFco had flagged the water provider, the Sativa County Water District, as struggling in multiple categories as early as 2005, and staff had recommended outright dissolution of the agency to the commission in 2012. However, despite these red flags, the agency continued to operate, and no consolidation efforts were formally initiated, either locally or by the SWRCB. When the protests began, however, LA LAFco was prepared to spring into action. With the changed political winds following the fallout from the scandal, the commission was able to initiate a dissolution process for Sativa just two months after complaints first arose and soon thereafter work with the state to allow the county to temporarily takeover operations while all parties looked for a new permanent provider.

The case of Sativa highlights just how effective a well-resourced LAFco can be in dealing with a local crisis. But the case also provides an example of how a lack of coordination around system dissolution priorities and political inertia can lead to a crisis in the first place. A more aggressive approach locally, or better coordination from the SWRCB, might have dealt with the issues at Sativa before brown water flowed out of residents' taps. Nonetheless, LA LAFco's quick response and effective collaboration between local and state regulators headed off the problem before things got worse.

MSRs based on assessments of water supply, governance, proximity to other systems, or other factors. In these cases, our interviews reveal that most LAFCoS view the initiative to then fall on the individual system boards to explore possible options for consolidations or alternatively, for the SWRCB to intervene if a system is underperforming to such a degree to require consolidation.

As a result, most consolidation projects in California are initiated by, or in partnership with, the SWRCB. Due to the SWRCB's responsibilities under the Safe Drinking Water Act, these consolidations tend to target existing or imminent health and safety concerns. A more proactive approach to other types of potentially challenged systems — such as small systems with governance issues, those unable to raise capital or with retiring staff or those particularly vulnerable to climate disasters — has so far not been on the agenda for lack of a clear responsible party or champion.

### **Gaps in relevant authorities**

In addition to ambiguity about the role of LAFCoS in reversing water system fragmentation, the fact that not all water systems are subject to the jurisdiction of LAFCoS limits even the potential for LAFCoS to support consolidation projects. Water systems are regulated by a patchwork of state and local agencies, depending on the structure of the system and other key factors. Because of this, some of the systems most suitable for consolidation fall between the cracks.

LAFCoS only regulate and review cities and special districts, not private firms. Yet many struggling water systems are private systems, like mobile home parks or mutual water companies, which unlike Investor-Owned Utilities, are not regulated by the CPUC. State policymakers have noticed this oversight and granted LAFCoS the ability to include information for private water systems operating in their county in MSRs. However, doing so is optional, and often inhibited by resource and information constraints. Because most LAFCoS have their hands full performing MSRs for the public agencies under their jurisdiction, very few have included mutual water companies, mobile home parks, or other small systems in their MSR cycles, and most do not anticipate doing so in

### **Resident Support Is Often Non-Negotiable**

Most LAFCo actions, such as district dissolutions and annexations, are subject to protest by registered voters and landowners in the affected territory. Generally, if more than 25% of the voters or landowners representing 25% of the assessed value of land in the area submit written protests, the change must then be approved by voters in an election which is a costly and time-consuming undertaking. In some instances, namely if LAFCo initiates the boundary change itself, this threshold is lowered to 10%. Moreover, some LAFCo actions that can be needed for a consolidation project, like the creation of new special district, always require a local election. This means that regardless of whether a consolidation project is initiated by the state or a local proponent, resident support is usually critical to successful implementation.

the future. While LAFCoS might seem to be natural agencies to promote consolidation for these types of systems, they ultimately do not have either the statutory mandate, funding, or powers to do so.

### **Competing local priorities**

LAFCoS are political organizations primarily composed of elected officials. As such, local politics matter a lot. If a local agency's board does not favor consolidation, even for a consolidation that is logical and feasible, LAFCo commissioners may be reluctant to force the issue to avoid controversy or protect local relationships. The same can be true for supporting new development. To the extent that a new water system is tied to a politically favored development project or powerful local interests, LAFCoS may be subject to significant political pressure to support the preliminary technical report required by the SWRCB.

County specific priorities and policies can also impede consolidation efforts. One such example is the issue of limiting urban sprawl. If a consolidation project is seen to have the potential for increasing development in an area the county has earmarked for light or no development, a LAFCo might be unlikely to approve the consolidation. Notably, such concerns are county specific. Only 48% of survey respondents listed preventing sprawl as a factor for approving consolidation-related

applications. However, it is increasingly common for municipalities or special districts to implement their own moratoriums on new connections. Such moratoriums serve to arrest new development, but they can also prevent the consolidation of water services for existing peripheral residents.

Importantly, local priorities and interests can also have positive effects on efforts to increase water system consolidation. When locals identify system fragmentation as a major concern, LAFCo staff can work effectively to foster consolidation in unique ways. Tulare County, for example, has completed more than 16 consolidations since 2015, in part due to the active involvement and support from the Board of Supervisors.

### *Limited and uneven LAFCo resources*

LAFCos have uneven funding levels across the state. Because represented agencies are a primary source of funds, counties with small numbers of cities,

special districts, or both, typically have small LAFCo budgets. In some of these counties, LAFCo work may be handled on a contract basis by the county planning department or be contracted out to a private firm. By contrast, counties with large amounts of regulated agencies, like San Diego or Los Angeles, often have relatively large LAFCo budgets.

In many cases, funding levels can directly correspond to staffing levels. LAFCos in counties with low staffing levels may be harder to contact and necessary procedures may take longer, especially if there is no full-time staff. MSR in such counties may also be updated less frequently than would be preferred if local capacity was higher. Limited resources can also lead to over-reliance on fees associated with studies and applications, which can in turn increase costs and impede a county's ability to offer fee waivers. As previously mentioned, only about two-thirds of the 23 LAFCos who responded to our survey offered fee waivers for studies.

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## Section III: Recommendations

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Based on the challenges outlined in the previous section, the following recommendations highlight potential pathways for addressing the existing gaps and improving alignment between local and state regulators organized around three key themes: Improving information sharing and communication between regulators; Identifying consolidation opportunities; and Advancing locally-driven consolidation projects.

### *Improving information sharing and communication between regulators*

- **Ensure regular, sustained communication between LAFCos and state drinking water regulators:** Locally, LAFCo, the SWRCB, and the CPUC (as applicable) should routinely meet to discuss failing and at-risk systems within each county. Such meetings would present the opportunity for each party to share the information on specific systems as well as identify promising partnerships across a range of system types that are consistent with local plans and policies. When distinct from LAFCo staff, county planners

should also be included. At the state-level, biannual LAFCo conferences and SWRCB's internal staff training programs present opportunities for cross-learning on relevant topics with the potential to increase collaboration. Regular communication would go a long way to increasing mutual understanding of relevant priorities and limitations as well as overcoming terminology and other barriers.

- **Transmit and connect information from MSRs and the annual state drinking water needs assessment:** Currently, both MSRs and the annual SWRCB drinking water needs assessments contain information helpful for assessing the functioning and sustainability of community water systems operated by cities and special districts. Systematically sharing these findings would help connect relevant knowledge from the local and state agencies and align with the Open and Transparent Water Data Act. At a minimum, MSRs should be readily accessible online and county-level meetings can support their use by the SWRCB. Most LAFCos that responded to the

survey support this type of information sharing (See Figure 2). In the future, the SWRCB could create formal pathways for integrating MSR data and/or the state legislature could consider changes to require information sharing and coordination.

- **Clarify and message relevant state goals:** Many LAFCoS are eager to support state efforts for advancing safe, accessible, and affordable drinking water and climate resilience but do not have a clear understanding of state priorities on these topics nor the type of performance metrics they could use to assess and advance these goals locally. The state should develop clear resources that can guide LAFCoS in the development of MSRs and inform local decision-making about service boundaries.
- **Ensure early coordination on system consolidation projects:** For project proponents, ensuring early coordination between communities, the SWRCB, technical assistance providers and LAFCo staff is essential. Consolidation can be accomplished through many potential pathways that must be matched with local conditions. It is therefore important to learn what pathways are preferred or even possible locally and why. If a LAFCo has formal or informal policies related to consolidation, they should be shared as soon as possible. Having this information as a project is developed will help ensure alignment with local planning and promote success. Early communication can also help avoid unnecessary delays in planning or implementation by anticipating fees, processing times, etc.
- **Ensure early coordination on proposals that implicate new public water systems:** State regulators, LAFCoS, and counties should communicate as early as possible about development proposals that explicitly or implicitly could lead to the creation of a new public water system. Early coordination on priorities and limitations at both levels will help prevent inconsistencies that could lead to conflict and delay.

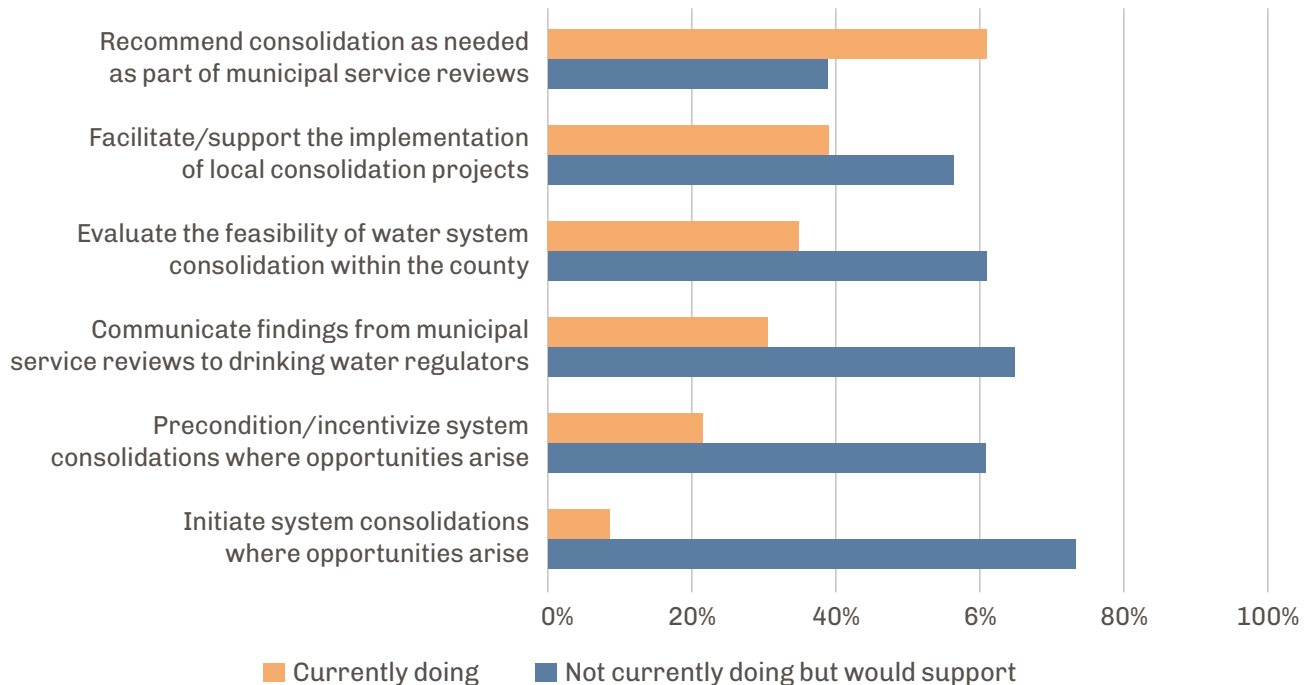
#### Identifying consolidation opportunities

- **Ensure robust and regular MSRs for drinking**

**water service providers:** Municipal Service Reviews (MSRs) are a valuable opportunity to both assess the functioning of local service providers and make recommendations for improvements. Ensuring that thorough MSRs are conducted regularly throughout the state could go a long way towards identifying and advancing consolidations. Importantly, identifying funding sources to support this work is likely key to achieving this goal.

- **Standardize assessment of consolidation feasibility as a part of the MSR process and recommend consolidation, as appropriate, in the findings:** California state law requires that LAFCoS explore “opportunities for shared facilities” for public water systems as a part of their MSR process. Some LAFCoS go beyond this requirement to assess consolidation opportunities for some or all systems under their jurisdiction. All LAFCoS should do so with an eye not only for physical consolidations but also managerial consolidations and water system partnerships (e.g., shared staff). Where appropriate based on these findings, LAFCoS should make formal recommendations for consolidation as part of their MSR findings. While not all counties responded to our survey, the results demonstrate unanimous support for both actions among those who did.
- **Fill data and oversight gaps for under-regulated water systems:** LAFCoS collect and maintain important information about the water systems operated by municipalities and special districts in their jurisdictions. The CPUC maintains similar information for the state’s Investor-Owned Utilities. For other private water systems like mutual water companies and mobile home parks data collection is limited to the drinking water needs assessment which necessarily provides very limited insights on system governance and management. Figuring out how to fill this gap should be a state priority. For example, these systems could be subject to reporting and oversight by the CPUC or included in MSRs.
- **Proactively identify priority consolidations and tie these into other opportunities for boundary expansion:** Some systems are reluctant to receive

**Figure 2.** Existing practices and policy preferences among surveyed LAFCoS for addressing local water challenges.



customers from struggling systems but are happy to expand with greenfield development. Working with both state drinking water regulators and local water managers (e.g. Groundwater Sustainability Agencies), LAFCoS should develop and maintain a list of priority consolidation projects in their county. LAFCoS should then use their existing authorities to tie these projects to locally promoted boundary changes, for example, annexations or sphere of influence updates, when feasible. More than 80% of LAFCoS that responded to the survey support this type of approach.

- **Clarify roles for identifying and promoting potential consolidations:** Currently the SWRCB is the primary entity identifying potential consolidation projects and initiating conversations with a particular focus on “failing systems” with pressing health and safety concerns and those at-risk of failing. There is a need to clarify who else, if anyone, should take responsibility for identifying and initiating potential consolidations among different subsets of systems such as

privately-owned non-Investor-Owned Utilities and low-hanging fruit consolidations (e.g., based on proximity or where system managers wish to retire).

#### **Advancing locally-driven consolidation projects**

- **Reduce financial impediments to locally-driven consolidations:** Proposed consolidations entail LAFCo related costs to be borne by a project proponent and/or the LAFCo itself. As such, promising projects can languish if they are not financially supported by the SWRCB and/or a local government proponent. Establishing a funding source to support LAFCos or other local proponents to advance consolidation projects could help increase the number of locally initiated projects. Similarly, state and federal funding and technical assistance is often essential to make consolidation feasible. Creating clear pathways for accessing these resources for locally-initiated projects could similarly increase local leadership on the issue.

- **Reduce administrative and procedural hurdles to implementing consolidations:** Consolidation is a complicated and difficult process constrained by convoluted statutes with significant limitations and even contradictions. Often a single consolidation project may trigger several concurrent actions which only further increases the administrative burden and associated costs. To every extent possible, the associated statutory requirements should be clarified and streamlined.
- **Create local pathways for consolidation of mutual water companies, mobile home park systems, and other small private systems:** LAFcos do not have authority over private water systems and therefore cannot initiate consolidation among them. Thus, the state must explore possibilities to promote the consolidation of small private systems that are not Investor-Owned Utilities.
- **Allow LAFcos to initiate annexations:** Currently LAFcos can initiate dissolutions but not annexations. Given that annexation is a common and often preferred mechanism for consolidating water systems, granting LAFcos the ability to initiate annexations could increase the number of projects advanced locally.
- **Ensure technical assistance providers working on consolidations have a clear understanding of work plan elements and project requirements related to LAFCo:** The SWRCB should provide technical assistance providers clear guidance for addressing the local planning dimensions of consolidations including working with LAFCo. Ensuring that LAFCo tasks and expenses are accounted for in work plans and budgets will streamline implementation.



## Resources and Further Reading

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## Appendix

### LAFCo information and select survey results by county

County	# of Staff	Offers Fee Wavers?	Approx. Range for Consolidation-Related Fees
Alameda	2	N	\$6,500 - \$13,000
Alpine	1	Did not respond to survey	Did not respond to survey
Amador	4	Did not respond to survey	Did not respond to survey
Butte	4	Y	\$1,000 – \$25,000
Calaveras	2	Did not respond to survey	Did not respond to survey
Colusa	2	Did not respond to survey	Did not respond to survey
Contra Costa	2	Y	\$4,000 - \$8,500
Del Norte	2	Did not respond to survey	Did not respond to survey
El Dorado	2	Y	\$1,000 – \$50,000
Fresno	5	Did not respond to survey	Did not respond to survey
Glenn	1	Did not respond to survey	Did not respond to survey
Humboldt	3	Did not respond to survey	Did not respond to survey
Imperial	4	Did not respond to survey	Did not respond to survey
Inyo	2	Did not respond to survey	Did not respond to survey
Kern	3	Did not respond to survey	Did not respond to survey
Kings	2	Did not respond to survey	Did not respond to survey
Lake	2	Did not respond to survey	Did not respond to survey
Lassen	3	Did not respond to survey	Did not respond to survey
Los Angeles	7	Y	\$6,000 - \$30,000
Madera	2	N	\$3,000 - \$6,000
Marin	2	Did not respond to survey	Did not respond to survey
Mariposa	1	Did not respond to survey	Did not respond to survey
Mendocino	2	Did not respond to survey	Did not respond to survey
Merced	2	N	\$2,000 - \$5,000
Modoc	2	Did not respond to survey	Did not respond to survey
Mono	1	Did not respond to survey	Did not respond to survey
Monterey	4	Did not respond to survey	Did not respond to survey
Napa	2	Y	\$8,500 - \$34,000

County	# of Staff	Offers Fee Waivers?	Approx. Range for Consolidation-Related Fees
Nevada	2	Did not respond to survey	Did not respond to survey
Orange	5	N	\$10,000 - \$30,000
Placer	2	Y	\$20,000 - \$40,000
Plumas	2	Did not respond to survey	Did not respond to survey
Riverside	5	Did not respond to survey	Did not respond to survey
Sacramento	2	Y	\$3,000 - \$10,000
San Benito	2	Did not respond to survey	Did not respond to survey
San Bernardino	4	Did not respond to survey	Did not respond to survey
San Diego	10	Y	\$6,500 - \$25,000
San Francisco	1	Did not respond to survey	Did not respond to survey
San Joaquin	3	N	\$2,000 - \$2,500
San Luis Obispo	3	Y	\$3,000 - \$7,500
San Mateo	3	Y	\$2,000 - \$10,000
Santa Barbara	2	Y	\$2,000 - \$6,000
Santa Clara	2	Y	\$4,000 - \$8,500
Santa Cruz	2	Y	\$1,000 - \$2,000
Shasta	2	Did not respond to survey	Did not respond to survey
Sierra	1	Did not respond to survey	Did not respond to survey
Siskiyou	2	Did not respond to survey	Did not respond to survey
Solano	3	N	\$7,500 - \$35,000
Sonoma	3	Y	\$4,000 - \$6,000
Stanislaus	3	Y	\$500 - \$3,500
Sutter	3	Did not respond to survey	Did not respond to survey
Tehama	1	Did not respond to survey	Did not respond to survey
Trinity	2	Did not respond to survey	Did not respond to survey
Tulare	3	Y	\$3,500 - \$4,000
Tuolumne	2	Did not respond to survey	Did not respond to survey
Ventura	3	Did not respond to survey	Did not respond to survey
Yolo	2	Y	\$1,500 - \$6,500
Yuba	2	Did not respond to survey	Did not respond to survey

## References and Notes

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- 2 CALAFCo website, What Are LAFCos responsibilities? Accessed 11/6/23. <https://caLAFCo.org/LAFCo-law/faq/what-are-LAFCos-responsibilities>
- 3 CA Government Code §56000 et seq.
- 4 CA Government Code §54950 et seq.
- 5 A consolidating water system is a system that will stop providing drinking water service after a consolidation is completed. In contrast, a receiving water system is a system that continues to provide drinking water service including to new customers/territory added through the consolidation.
- 6 CA Government Code §56133(c)
- 7 CA Government Code §56425(g); A sphere of influence or SOI is a planning boundary outside of an agency's jurisdictional boundary (such as the city limit line or water service area) that designates the agency's probable future boundary and service area.
- 8 Countywide Water Service and Sphere Review. Local Agency Formation Commission of Santa Cruz County. Accessed 01/22/24. <https://santacruzlafco.org/wp-content/uploads/2022/09/Countywide-Water-MSR-Adopted-Version.pdf>
- 9 CA Government Code §56430(7)(d)
- 10 A public water system is a water system serving at least 15 connections or 25 people for a minimum of 60 days per year. This is the body of water systems that is regulated by the SWRCB under the Federal Safe Drinking Water Act.
- 11 Extraterritorial, Out-of-Agency, Out-of-Boundary or Outside service agreements all refer to situations where a city or special district extend services outside of their jurisdictional boundaries. For drinking water service this means outside of their approved service area. Prior to 1994 service extensions only required LAFCo approval if they involved annexation. Since 1994 service extensions always require approval by LAFCo (with some exceptions such as the transfer of non-treated water).
- 12 CA Government Code §56035; For a LAFCo, a dissolution entails the “disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers.”