

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**COMPREHENSIVE STUDY
NAPA RIVER RECLAMATION DISTRICT NO. 2109**

SERVICE REVIEW REPORT – FINAL

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LAFCO of Napa County

Daniel Schwarz, Executive Officer
Keene Simonds, Staff Analyst II
Kathy Mabry, Commission Secretary

1700 Second Street, Suite 268
Napa, California 94559
(707) 259-8645
<http://napa.lafco.ca.gov>

INTRODUCTION

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act became the governing law of LAFCOs. One change brought by this Act was the creation of a new LAFCO function, the service review. California Government Code §56430 states that prior to any review or update of a sphere of influence, the Commission shall conduct a service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and sphere. California Government Code §56425(f) states that the Commission shall update all spheres every five years, meaning that the Commission must also conduct service reviews on a five-year cycle. Each of the 58 LAFCOs in California may adopt their own approach to fulfilling the service review and sphere update requirements.

To fulfill these responsibilities, LAFCO of Napa County adopted a schedule for service reviews and sphere updates to begin in late 2001 and end in late 2005. In developing this schedule, the Commission determined that the complex assignment before it must be accomplished through a series of studies. Some of these studies are designed to conduct an analysis of one type of service across many agencies or areas in Napa County, while other studies focus on the breadth of services offered by one agency. Overlap is an inherent component of this approach – any given agency may be evaluated in the context of several studies. As a result, there is the possibility that reports later in the schedule will give rise to reconsideration of conclusions drawn in an earlier study. In addition, this approach means that LAFCO will not fully meet its statutory obligations until the completion of its adopted schedule. When the schedule is completed, the Commission will evaluate the need for future studies and develop a schedule for the 2006-2010 cycle.

As part of the service review process, the Commission is required to consider and make written determinations with regard to nine service factors enumerated under California Government Code §56430. These factors are intended to capture the legislative intent of the service review process and offers LAFCO key information to inform policy determinations necessary to complete a sphere update. These factors are:

1. Infrastructure needs or deficiencies.
2. Growth and population projections for the affected area.
3. Financing constraints and opportunities.
4. Cost avoidance opportunities.
5. Opportunities for rate restructuring.
6. Opportunities for shared facilities.
7. Government structure options.
8. Evaluation of management efficiencies.
9. Local accountability and governance.

Comprehensive Study of the Napa River Reclamation District No. 2109

In February 2005, LAFCO of Napa County initiated its *Comprehensive Study of the Napa River Reclamation District No. 2109*. The study consists of two reports representing the service review and sphere of influence update of the District. This report, which has been prepared in two distinct phases and subject to two public review periods, represents the service review of the District. It includes an overview of the District's development, a review of its service programs, and written determinations addressing the nine service factors prescribed for review under California Government Code. The written determinations prepared as part of this report were adopted by the Commission at its August 1, 2005 meeting (LAFCO Resolution No. 05-17).

The sphere of influence report of the Napa River Reclamation District No. 2109 will be initiated following the adoption of written determinations and will be presented to the Commission at a future meeting.

Note: The geographic region of the service review includes all lands located within and in close proximity to the existing jurisdictional boundary of the Napa River Reclamation District No. 2109 (depicted in Attachment A).

OVERVIEW

The Napa River Reclamation District No. 2109 (NRRD) provides sewer and limited reclamation services to an unincorporated community in southern Napa County. The District is located approximately eight miles southwest of the City of Napa along the western shoreline of the Napa River. Open-space, pasture, and marsh characterize unincorporated areas to the north, west, and south of the District. The District is bisected by an abandoned Southern Pacific Railroad crossing that separates the two subdivisions comprising its service area. There are presently 138 developed lots within the District, the majority of which are used as permanent single-family residences.¹

NRRD was originally formed in 1974 to maintain and improve an existing levee serving a subdivision on Edgerly Island. The District was initially formed as the Edgerly Island Reclamation District and was sought by property owners to provide enhanced flood protection against the Napa River. The impetus to form the District occurred one year earlier after a series of winter storms swelled the Napa River and contributed to breaching a portion of the levee, which had been privately constructed as part of the “Edgerly Island Subdivision.” The subdivision was approved by the Napa County Board of Supervisors in 1950 and involved the creation of 112 lots. It was originally anticipated that the subdivision would serve seasonal uses. However, by the 1960s, the majority of developed lots in the subdivision had been converted for year-round uses.

At the time of NRRD’s formation, flood control on Edgerly Island was maintained by individual property owners.² In addition, the Napa County Flood Control and Water Conservation District (NCFCWCD) operated a pump station, which provided a supplemental form of flood control. The pump station was funded through an annual assessment paid by local property owners as part of a zone of benefit established by NCFCWCD in 1952. The zone of benefit was dissolved and the pump station was turned over to the District following its formation.

The decision to form NRRD followed a review by a consultant retained by the County of Napa to evaluate organized flood control alternatives for Edgerly Island. The review, which was requested by property owners, noted that the area was below the tide level of the Napa River. It also noted that the island was susceptible to flooding because several property owners had not properly repaired their portion of the levee. The review concluded that there was an immediate need for the formation of a public agency capable of providing uniform and long-term flood control for the island. It was recommended that property owners petition LAFCO for the formation of a reclamation district pursuant to Division 15 of the California Water Code. Notably, the recommendation included a statement recognizing the desire of property owners to retain local control with regard to costs and standards.

¹ NRRD reports that there are 16 undeveloped lots remaining within its jurisdictional boundary.

² A group of property owners known as the “Napa River Association” preceded the NRRD and served as an informal community association for Edgerly Island. Activities undertaken by the Napa River Association included organizing flood control efforts and interacting with outside officials with regard to local service issues.

Following its formation, NRRD began providing levee control for Edgerly Island through an advisory role – actual maintenance of the levee remained the responsibility of individual property owners. This service was accomplished through regular inspections of the levee for consistency with structural standards recommended by the District, including a 10-foot height standard.³ In the event a repair was needed, the District would issue a notice to the affected property owner to make the necessary improvement. Until recently, if a notice went unaddressed, the District would file a nuisance complaint to force the property owner to make the requested improvement. However, as part of an action brought against a property owner in 2001, the Napa County Superior Court determined that the District did not have the authority to issue a nuisance complaint. Without a means to enforce uniform standards, the District suspended its advisory services, which left all oversight with respect to levee control to property owners. The lone reclamation service presently provided by the District involves the operation of the pump station inherited from NCFCWCD to remove flood and storm water out of the roadside drainage ditch on Edgerly Island.⁴

In addition to operating a pump station, NRRD provides sewer service for all developed lots within its service area. The District began providing sewer service in 1984 following a special amendment to the California Water Code. This special amendment was enacted by the California Legislature to allow the District to address a public health notice issued by the Napa County Health Department. The health notice, which resulted in a building moratorium between 1976 and 1984, was issued after the Health Department determined that a number of private septic systems were failing and posed a contamination threat to local groundwater supplies on Edgerly Island.⁵

The expansion of NRRD's powers to include sewer service coincided with its annexation of the "Ingersoll Subdivision."⁶ The Ingersoll Subdivision, which is adjacent to Edgerly Island and immediately north of the abandoned railroad crossing, was approved by the Napa County Board of Supervisors as part of two development proposals in 1946 and 1949. As in the case of Edgerly Island, it was originally anticipated that the 49-lot Ingersoll Subdivision would serve seasonal uses. However, by the 1960s, the majority of developed lots in the subdivision had also been converted for year-round uses.

NRRD is currently evaluating community support for an annual parcel assessment to fund an organized levee control program. The District recently retained an engineer to provide a preliminary cost estimate to rebuild the levee to meet current standards. Due to cost variables, the preliminary estimate submitted to the District ranges from three to seven million dollars. Notable variables affecting the estimate include environmental considerations, permit requirements, and soil conditions.

³ NRRD placed elevation markers on Edgerly Island in 1984 to help property owners identify the recommended levee height. These markers were placed with the assistance of NCFCWCD. The markers were re-surveyed to account for soil settlement in 1994.

⁴ NCFCWCD recently purchased a mobile pump machine, which is stored on Edgerly Island and is available for use by NRRD.

⁵ Water service on Edgerly Island is provided by Meyers Water Company, which draws its supply from a local well. Several lots on Edgerly Island are also served by private wells.

⁶ Annexation proceedings involving the Ingersoll Subdivision to NRRD were completed in 1982.

Initial community response to an annual assessment to fund an organized levee control program for NRRD has generally ranged from tepid to resistant. In addition to potential costs, it appears that a principal source of resistance stems from a desire among a majority of property owners to maintain full control of their property, which includes a portion of the levee. LAFCO staff has observed that several property owners have constructed decks, docks, and walkways that may need to be removed, whether temporarily or permanently, in order to rebuild the levee to current standards. Based on community input, the Board has decided to postpone pursuing a comprehensive cost estimate to rebuild the levee in favor of waiting for LAFCO to complete its scheduled review of the District. As part of the review, the Board has asked LAFCO to evaluate whether it would be appropriate to reorganize the District to remove its reclamation authority while preserving its ability to provide sewer service. This request is drawn from a concern on the Board regarding the District's potential liability in the event of a future flood within its service area.

GOVERNANCE

NRRD was organized under the Reclamation District Act, Division 15 of the California Water Code. The District's governing body is comprised of an elected five-member board of trustees serving staggered four-year terms. In order to serve, a trustee must be an owner of land within the District. The board is responsible for exercising complete control over construction, maintenance, and operation of the reclamation works and general affairs of the District. Elections are based on the landowner-voter system, which allows each landowner one vote for each dollar that his or her property is assessed (based on last assessment roll). In addition to electing a president, the board is required to appoint a secretary to keep account of all District expenditures. A secretary may be either a trustee or member of the public.

NRRD services can be financed through service charges, assessments, proportional property tax proceeds, general obligation and revenue bonds, and from the sale, rent, or lease of property. Board meetings are open to the public and are conducted on the first Tuesday of each month at the Edgerly Island Volunteer Fire Station. Trustees serve voluntarily. Pursuant to the Reclamation District Act, the District is authorized to do all things necessary to accomplish the purpose for which it was formed. Specific powers are identified below.

- To provide for the construction, maintenance, and operation of reclamation works necessary for the unwatering and watering of district land (W.C. §50652).⁷
- To provide for the disposal of sewage, industrial waste, or other waste along with the design, finance, construction, operation, and maintenance of sewage treatment works (W.C. §50905).

⁷ Reclamation works is defined under California Water Code as public works and equipment necessary for the unwatering, watering, or irrigation of district lands and other district operations (§50013).

- To supply water for irrigation to district land and contiguous non-district land, including water rights, dam diversion works, rights of way, canals, and pumps (W.C. §50910 & 50912).

NRRD provides only the first two services listed above.

ADOPTED BOUNDARIES

NRRD’s adopted jurisdictional boundary is comprised of one contiguous area consisting of approximately 74 acres. The District’s sphere of influence, which was adopted in 1985, encompasses nearly its entire jurisdictional boundary with the exception of a 20-acre parcel. This parcel is owned by the District and is the site of its administrative office and sewer treatment facility. A map depicting the District is provided in Attachment A.

Adopted Boundaries for the NRRD (Source: County of Napa’s geographic information system)	
Jurisdictional Boundary:	74 acres
Sphere of Influence Boundary:	53 acres

LAND USE AUTHORITY

NRRD is under the land use authority of the County of Napa. Land located within the District’s jurisdictional and sphere boundaries is designated under the County General Plan as “Agriculture Watershed and Open Space.” The County General Plan specifies the intent of this designation as:

“To provide areas where the predominant use is agriculturally oriented; where watershed areas, reservoirs, floodplain tributaries, geologic hazards, soil conditions and other constraints make the land relatively unsuitable for urban development; where urban development would adversely impact on all such uses; and where the protection of agriculture, watersheds, and floodplain tributaries from fire, pollution, and erosion is essential to the general health, safety, and welfare.”

Development densities for the County of Napa are identified under its zoning standards. The principal zoning standard for parcels located within the Edgerly Island and Ingersoll Subdivisions is “Residential Single: Airport Compatibility.”⁸ This zoning standard requires a minimum parcel size of 8,000 square feet, which is equivalent to 0.18 acres.⁹ A zoning standard of “Agricultural Watershed: Airport Compatibility” is assigned to the majority of land adjacent to both subdivisions, and requires a minimum parcel size of 160 acres. A map depicting the zoning standards within the District is provided in Attachment B.

⁸ The Airport Compatibility overlay standard signifies that the area is located in close proximity to the Napa County Airport and that development standards must be compatible with airport operations. In addition, there are two parcels located within the District that are zoned “Marine Commercial: Airport Compatibility.” There are no minimum parcels for this zoning standard.

⁹ The County of Napa does not specify maximum parcel densities.

SERVICE OPERATIONS

NRRD provides sewer and limited reclamation services. Both services are managed and operated by a manager, who is appointed by the board of trustees to oversee the day-to-day activities of the District. The current manager is a half-time employee and is a licensed sewer plant operator. The manager is also a resident of the District and is on-call 24 hours a day, seven days a week, to respond to reported emergencies. Constituent inquiries, including service requests, are directed to the District’s administration office, which is located at 1501 Milton Road and is next to its sewer treatment facility.

Sewer Service:

NRRD provides for the collection, treatment, and disposal of wastewater for all developed lots within its service area. This includes service to the Edgerly Island and Ingersoll Subdivisions. The District’s sewer system was developed in 1984 and provides secondary level treatment for residential wastewater. Wastewater is gravity-fed from each residence to one of fifteen community septic tanks underlying Milton Road. Each community septic tank is paired with an adjacent step station. Electronic sensors activate the step station when effluent levels within the septic tank exceed a designated level.¹⁰ Once activated, the step station pumps and conveys effluent out of the septic tank to a centrally located sewer treatment facility.¹¹ Effluent is discharged into one of ten underground mounds based on a rotating schedule and is filtered to complete the disinfection process. Treated effluent is then pumped into one of two storage ponds, which are each 3.3 acres in size, where it remains until evaporating.¹²

In 2004, NRRD reported peak day wet-weather and dry-weather flows of 20,000 and 16,000 gallons, respectively. Notably, although the sewer treatment facility has a daily design capacity of 40,000 gallons, the District estimates that the actual daily capacity is 23,000 gallons. This discrepancy resonates from the capacity of the mound filtration system, which was undersized at the time of construction. The estimated cost to resize all ten mounds to meet design capacity is approximately \$200,000 (\$20,000 per mound). There are currently 138 active sewer connections in the District.¹³

NRRD – 2004 Sewer Collection and Treatment Demand	
Peak Dry-Weather Day Flow:	16,000 gallons
Peak Wet-Weather Day Flow:	20,000 gallons
Sewer Treatment Capacity (Day):	23,000 gallons*

* This figure represents the actual treatment capacity as reported by the District.

¹⁰ The community septic tanks were designed with a 24-hour storage capacity.
¹¹ The community septic tanks are typically pumped once every five years for accumulated solids.
¹² A third storage pond, which is also 3.3 acres in size, is available for use by NRRD. The pond currently collects storm water, which is regularly discharged by the District into Mud Slough.
¹³ NRRD charges all developed lots in its service area a \$57 monthly availability fee for sewer service.

NRRD maintains a discharge permit with the California Regional Water Quality Control Board (Order No. 93-119). This permit authorizes the District to discharge secondary treated wastewater to Mud Slough, which drains to the Napa River, between December 1 and April 30 of each year. Due to adequate storage capacity, however, the District has not needed to discharge treated wastewater to Mud Slough. An expanded review of the District's sewer services will be included as part of LAFCO's *Comprehensive Sewer Service Study*, which is scheduled for draft release in June 2005.

Reclamation Service:

NRRD maintains and operates a pump station on Ederly Island to remove flood and storm water out of the island's roadside drainage ditch. The drainage ditch is located along the western side of Milton Road and runs along the eastern length of the District. The pump station is centrally located to draw storm and flood waters from both drainage directions through a culvert that crosses underneath Milton Road. The pump station was inherited by the District from NCFWCWD upon its formation and presently includes three pump machines. An electrical pump operates throughout the year and is automatically activated once water levels in the culvert surpass a designated level. Captured water is pumped through a 12-inch discharge pipe that is approximately 75 feet in length over an adjacent levee into the Napa River. A second diesel pump is manually activated as needed. Both pumps are less than two years old and were jointly purchased by the District and NCFWCWD.¹⁴ A third diesel pump, which is the largest of the three pumps, is also manually activated in the event of significant flooding.

NRRD does not provide active reclamation services for the Ingersoll Subdivision. The roadside drainage ditch across from the subdivision drains directly to an adjacent marsh. In the event of a flood in the subdivision, a mobile pump machine is now available for use by the District. This mobile pump machine was purchased in 2004 by NCFWCWD and is presently stored at the District's sewer treatment facility yard.¹⁵ In the past, the District rented mobile pump machines to help remove flood waters from the subdivision as needed.

FINANCIAL

NRRD has an approved operating budget for 2004-2005 of \$104,502. This amount includes costs relating to both sewer and flood control services. The budget is prepared jointly by the District manager and secretary based on the previous year's expenses and revenues. Primary expenses for the District include staff and contracted help, insurance, and maintenance and repair to the sewer system. The District's projected revenue for 2004-2005 is \$104,412. The District's principal revenue source is drawn from its sewer availability charge, which is \$57 a month. This amount represents approximately 90 percent of the District's total projected revenue. The District's other principal source of revenue is drawn from its allocation of local property tax proceeds. The District's reserve balance as of March 2005 was \$47,072.¹⁶

¹⁴ NRRD maintains full ownership of the pump station and pump machines.

¹⁵ The NCFWCWD owned mobile pump machine is made available for all flood protection activities in Napa County.

¹⁶ NRRD is currently not dedicating revenues to its reserve balance.

NRRD – Approved Budget (2004-2005)	
Expense Category	Amount
Staff and Benefits:	\$48,400 (47%)
Insurance:	\$21,070 (20%)
Maintenance and Repairs:	\$23,312 (22%)
Miscellaneous:	\$11,630 (11%)
Total Expenses:	\$104,412

NRRD – Projected Revenues (2004-2005)	
Revenue Source	Amount
Sewer Availability Charge:	\$94,392 (90%)
Property Tax:	\$8,520 (8%)
Interest:	\$1,500 (1%)
Total Revenue:	\$104,412

WRITTEN DETERMINATIONS

In anticipation of reviewing and updating the Napa River Reclamation District No. 2109’s sphere of influence, and based on the above-mentioned information, the following written determinations are intended to fulfill the requirements of California Government Code §56430. When warranted, some determinations include supplemental information listed in italics to provide context to the underlying service factor. A review of the District’s sphere of influence will be included as part of a future phase of this study.

General Policy Determinations:

1. The Napa River Reclamation District No. 2109 is a public service provider. Its services must be solvent and consistent with the needs of its constituents.
2. The Napa River Reclamation District No. 2109 is not a regulatory agency; the Reclamation District Act does not empower the District to issue fines or penalties.
3. There is a strong need for organized sewer service within the jurisdictional boundary of the Napa River Reclamation District No. 2109. This service is currently provided by the District and is funded by its constituents through monthly service charges.
 - a) The need for organized sewer service has been affirmed by constituents through their consent to fund the public sewer service operations of the District.
 - b) The majority of constituents that have communicated with LAFCO during the course of this review have expressed a desire to maintain organized sewer service in the form currently provided by the District.

4. There is a strong need for organized reclamation service in the form of levee control within the jurisdictional boundary of the Napa River Reclamation District No. 2109. Levee control is currently provided informally by constituents, who own and maintain their portion of the levee. Attempts by the District to establish centrally organized levee control have been rebuffed by its constituents.
 - a) Centrally organized reclamation service in the form of levee control would provide uniform protection against future flooding within the District. The potential for flooding represents a public health concern as the District's sewer treatment and storage facilities would be subject to inundation.
 - b) The majority of constituents that have communicated with LAFCO during the course of this review have expressed a desire not to raise the level of organized reclamation service beyond what was previously provided by the District. In the past, the District regulated the privately held levee, enforcing standards and issuing nuisance penalties for non-compliance. These practices were invalidated by the Napa County Superior Court in 2001.
 - c) The existence of a reclamation district that does not provide reclamation services represents a policy disconnect that is inconsistent with the Cortese-Knox-Hertzberg Reorganization Act of 2000 and confusing to the public.

Infrastructure Needs or Deficiencies:

1. The Napa River Reclamation District No. 2109 provides sewer and limited reclamation services for an approximately 50-acre service area that includes the Edgerly Island and Ingersoll Subdivisions. Both services are provided directly by the District and involve basic infrastructure systems that require minimum staffing to operate. This reduces the District's dependency on staff and increases the importance of effective service plans to address infrastructure needs in a timely manner.
2. Reclamation services provided by the Napa River Reclamation District No. 2109 are presently limited to the operation of a pump station that serves the Edgerly Island Subdivision. This pump station is adequately equipped to provide a basic and limited level of flood control for the subdivision.
3. Other forms of reclamation service within the jurisdiction boundary of the Napa River Reclamation District No. 2109, such as levee control, are the responsibility of individual property owners. This results in varying levels of flood control and increases the dependency between property owners to make timely and effective improvements to their respective portion of the levee.
4. The sewer system for the Napa River Reclamation District No. 2109 has adequate collection, treatment, and disposal capacities to meet existing service demands within its jurisdiction. However, improvements are needed to expand treatment capacity to accommodate additional demands. Expanded treatment capacity will help solidify the District's ability to meet future peak-day sewer service demands within the timeframe of this study.

The Napa River Reclamation District No. 2109's sewer treatment capacity is approximately 23,000 gallons per day. The District's peak-day sewer flow in 2004 was approximately 20,000 gallons.

5. The Napa River Reclamation District No. 2109 requires an update to its sewer facility plan. This update should evaluate the condition of existing infrastructure, project future service demands, and offer recommendations with respect to immediate and long-term capital improvements.
6. Additional determinations relating to the Napa River Reclamation District No. 2109's sewer service operations will be included as part of the Commission's "Comprehensive Sewer Service Study." The first phase of this study is scheduled for draft release in June 2005.

Growth and Population Projections:

1. The Napa River Reclamation District No. 2109 is under the land use authority of the County of Napa. The majority of land located within the District is zoned "Residential Single: Airport Compatibility" and is comprised of parcels that are 0.18 acres in average size. This zoning standard helps to restrict future development within the District to existing parcels of legal record by requiring a minimum parcel size of at least 0.18 acres.
2. Land located outside the Napa River Reclamation District No. 2109 is designated under the County of Napa General Plan as "Agriculture, Watershed and Open Space." This designation discourages the Commission from approving an annexation to the District based on its policy not to promote urban development by directing the extension of municipal services away from land designated agriculture or open-space under the County General Plan.
3. Growth projections available for Napa County cannot accurately determine the population of smaller unincorporated communities, such as the community served by the Napa River Reclamation District No. 2109. However, the calculation formula codified in Title 22 of the California Code of Regulations §64412(a)(2), which is used to estimate the service population of a public water service provider, is an appropriate alternative. The population served by the District based on this calculation is 455.

Financing Constraints and Opportunities:

1. The Napa River Reclamation District No. 2109 has been successful in obtaining outside funding from state and local agencies to help cover the costs of emergency repairs and capital improvements. These efforts have established funding relationships for the District and have helped to maintain a level of solvency by minimizing its use of cash reserves.

The Napa River Reclamation District No. 2109 was awarded an approximate \$100,000 grant from the California Office of Emergency Services to make repairs to its sewer collection system following a 2000 earthquake. The District has also received funding assistance from the Napa County Flood Control and Water Conservation District. Most recently, NCFWCWD shared in the approximate \$50,000 cost to purchase new pump machines for the pump station on Ederly Island.

2. The Napa River Reclamation District No. 2109 has not established a revenue source to fund reclamation services. This restricts the District from offering a higher level of reclamation service beyond its current operation of a pump station on Ederly Island.
3. The Napa River Reclamation District No. 2109 relies on revenue generated from its sewer service operations to operate its pump station on Ederly Island. The District should develop a revenue stream dedicated to supporting the operation and improvement of the pump station.
4. Opportunities for the Napa River Reclamation District No. 2109 to increase revenues for existing or new services through assessments are limited because there does not appear to be two-thirds support among its constituents, which is required by Article XIII of the California Constitution to raise special taxes.
5. Recent legal expenses have contributed to a significant reduction in cash reserves for the Napa River Reclamation District No. 2109. The reduction in cash reserves underscores the need for the District to evaluate existing and new revenue streams for the purpose of increasing its revenue base.

Cost Avoidance Opportunities:

1. The Napa River Reclamation District No. 2109 is currently underfunded to adequately meet its operational and capital improvement needs. Opportunities to reduce service costs, whether through administrative or operational reductions, are limited and would not substantially improve the solvency of the District.
2. The Napa River Reclamation District No. 2109 has benefited from cost-savings associated with its relationship with the Napa County Flood Control and Water Conservation District. Notable cost-savings associated with this relationship include providing the Napa River Reclamation District No. 2109 with joint-funding opportunities and access to service equipment on a need basis.

Through its relationship with the Napa County Flood Control and Water Conservation District, the Napa River Reclamation District No. 2109 has received funding assistance to purchase new pump machines and is provided access to a mobile pump station.

Opportunities for Rate Restructuring:

1. The Napa River Reclamation District No. 2109's sewer service operations are funded by a flat monthly fee, which is charged to all developed lots within its jurisdictional boundary. Revenue generated from this fee is currently limited to funding operational expenses and does not provide adequate income to address capital improvements.
2. It is appropriate for the Napa River Reclamation District No. 2109 to amend its sewer fee to be more reflective of the actual costs of providing sewer service. An increase in rates would provide the District with additional revenue needed to fund capital improvements and help to build up its cash reserves.
3. In anticipation of increasing its sewer fee, the Napa River Reclamation District No. 2109 should prepare an update to its sewer facility plan. This plan should include an evaluation of projected costs relating to the operation and improvement of its sewer system. This will help inform the District of its long-term revenue requirements and provide for greater consistency between service costs and service rates.
4. The Napa River Reclamation District No. 2109 currently operates with marginal cash reserves to help finance emergency repairs or capital improvements. This increases the District's dependency on grants, loans, or special assessments to fund future emergency repairs or capital improvements. It is imperative that the District build-up its cash reserves to maintain and improve the solvency of its service operations.

As of March 2005, the Napa River Reclamation District No. 2109 maintained a cash reserve of \$47,072.

Opportunities for Shared Facilities:

1. The Napa River Reclamation District No. 2109 benefits from an informal relationship with the Napa County Flood Control and Water Conservation District. This relationship provides the Napa River Reclamation District No. 2109 with an assortment of shared resources ranging from equipment to joint-purchases.
2. Infrastructure for the City of American Canyon's sewer service operations is in general proximity to the Napa River Reclamation District No. 2109. This proximity indicates that the District could share facilities or contract for sewer services from American Canyon if connection under the Napa River could be established. The Commission's approval pursuant to California Government Code §56133(e) would be required for such an arrangement.
3. The Napa River Reclamation District No. 2109 should strengthen its efforts to consult with the Napa County Mosquito Abatement District with regard to its reclamation and sewer service operations. This will help to control vectors and vector-borne disease within the jurisdiction of the Napa River Reclamation District No. 2109.

4. The levee that serves the jurisdictional boundary of the Napa River Reclamation District No. 2109 is subject to subsidence due to its low elevation and direct proximity to the Napa River. The District should explore opportunities to work with the Napa County Resource Conservation District to educate its constituents with regard to activities to control settlement along their portion of the levee.

Government Structure Options:

1. The Napa River Reclamation District No. 2109 is the only public service provider authorized to provide both reclamation and sewer services within its jurisdictional boundary.
2. While no other agency is authorized to provide sewer service, there are two other public agencies empowered to provide reclamation service whose jurisdictions overlap that of the Napa River Reclamation District No. 2109. These agencies are the Napa County Flood Control and Water Conservation District and the Napa County Resource Conservation District. Additional information would be needed to determine whether either agency has the ability or interest to offer – directly or by contract – reclamation services for the Napa River Reclamation District No. 2109.
3. The Napa River Reclamation District was formed under the Reclamation District Act of the California Water Code to maintain and improve an existing levee on Edgerly Island. However, levee control remains the responsibility of its constituents. The inaction of the District to establish the services for which it was formed presents a disconnect between its operational and governance authority. It also suggests that reorganization is appropriate to reconcile the powers of the District with the needs and desires of the community.
4. The Board of the Napa River Reclamation District No. 2109 has expressed interest in reorganizing the District for the purpose of eliminating its reclamation authority.
5. Support to reorganize the Napa River Reclamation District No. 2109 was offered by the Commission in its review of the District in 1985.

In establishing the sphere of influence, the Commission determined that the Napa River Reclamation District No. 2109's governing powers were insufficient to meet the needs of the community and advocated that it be reorganized into a county water district.

6. LAFCO should conduct a governance study to evaluate the options and merits to reorganize the Napa River Reclamation District No. 2109 pursuant to California Government Code §56378. This study is needed to address the disconnect between the reclamation powers of the District and the wishes of the community not to establish or fund public reclamation services. It should also evaluate whether other public services are needed in the community. The study should be completed prior to the next scheduled service review of the District.

Evaluation of Management Efficiencies:

1. The Napa River Reclamation District No. 2109 provides a summary of past and projected revenues and expenditures as part of its annual budget. The budget is adopted following a publicly noticed board meeting in which members of the public are allowed to comment and offer suggestions with respect to District expenditures. In addition to enhancing the accountability of elected and appointed officials, this budget process provides a clear directive towards trustees and staff with respect to prioritizing the resources of the District.
2. The Napa River Reclamation District No. 2109 should adopt a policy to designate a portion of revenues to its reserve fund. This policy would help ensure that funds are available for future emergencies and capital improvements.

Local Accountability and Governance:

1. The Napa River Reclamation District No. 2109's board meetings are conducted once a month and are open to the public. Public inquiries involving the District's service operations can be addressed to trustees at this time. Regularly scheduled board meetings provide an opportunity for District constituents to ask questions of their elected or appointed representatives, while helping to ensure that service information is being effectively communicated to the public.
2. The Napa River Reclamation District No. 2109's governing body is comprised of five trustees serving elected four-year terms. The ability of the District to continually maintain a full board roster, whether through election or by appointment, has helped establish continuity with respect to policies and procedures along with fostering local accountability within the community.
3. The Napa River Reclamation District No. 2109 makes reasonable efforts to maintain public dialogue with its constituents. These efforts facilitate local accountability and contribute towards public involvement in local governance.
4. The Napa River Reclamation District No. 2109 should continue to explore opportunities to engage its constituents regarding their service needs.
5. The Napa River Reclamation District No. 2109 is governed by a responsive and dedicated board and staff. These characteristics enhance local accountability and cultivate desirable working relationships with members of the public as well as other agencies.

SOURCES

Agency Contacts:

- Napa River Reclamation District No. 2109
- County of Napa
- California Regional Water Quality Control Board, San Francisco Bay Region Office

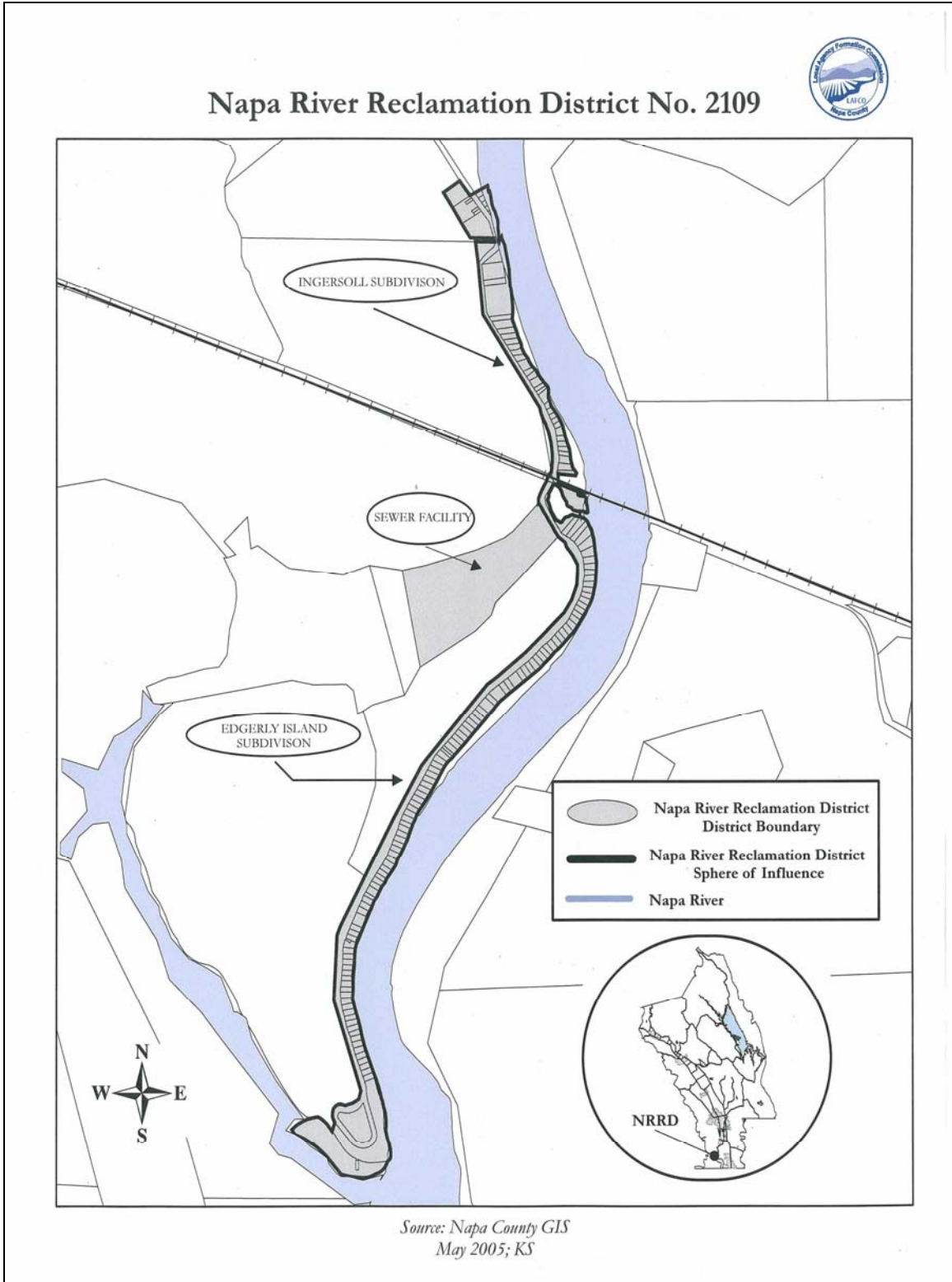
Documents/Materials:

- Napa River Reclamation District No. 2109, Re: Response and Supporting Documentation, "LAFCO Questionnaire for Comprehensive Sewer Study of Napa County," November 10, 2004
- California Regional Water Quality Control Board, San Francisco Bay Region, "Order 93-019, Napa River Reclamation District No. 2109, Napa County," February 1988
- LAFCO of Napa County, Re; File, "Napa River Reclamation District No. 2109, Baseline Report and Sphere of Influence Establishment," July 24, 1985
- Napa River Reclamation District No. 2109 (Bracewell Engineering, Inc.), "Operations and Maintenance Manual for the Edgerly Island Reclamation District: Sewage Collection, Treatment, and Disposal System," June 1984
- LAFCO of Napa County, Re: File, "Milton Road District Annexation to the Edgerly Island Reclamation District," July 14, 1982
- County of Napa (Wilson, Jones, Morton & Lynch), Re: Review and Recommendation, "Edgerly Island," March 13, 1973
- LAFCO of Napa County, Re; File, "Formation Proposal: Edgerly Island Reclamation District," 1973
- Napa County Department of Health: Division of Environmental Quality Control, "Status Report on Water Supply and Sewer Disposal Facilities on Edgerly Island," July 13, 1971

Newspaper/Journal Articles:

- Napa Valley Register, "Edgerly Island Gets Special District," July 25, 1973

Attachment One



Attachment Two

