Local Agency Formation Commission of Napa County
Subdivision of the State of California
We Manage Government Boundaries, Evaluate Municipal Services, and Protect Agriculture
■ Beth Painter, Chair ■ Belia Ramos, Vice Chair ■ Anne Cottrell ■ Paul Dohring ■ Jeffrey Crosswhite
■ Joelle Gallagher, Alternate ■ Eve Kahn, Alternate ■ David Oro, Alternate

Administrative Office
1754 Second Street, Suite C
Napa, California 94559
Telephone: 707-259-8645
www.napa.lafco.ca.gov

REGULAR MEETING AGENDA

Monday, August 3, 2026, 2:00PM
County of Napa Administration Building
1195 Third Street, Board Chambers, 3rd Floor
Napa, California 94559

1. CALL TO ORDER BY CHAIR; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. DISCLOSURES UNDER POLITICAL REFORM ACT / LEVINE ACT

4. 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.

5. 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.

6. CONSENT ITEMS

Action Items:
a) **Approval of Meeting Minutes:** June 1, 2026 Regular Meeting
b) **Approval of Resolution Amending Conflict of Interest Code**

Receive Report for Information Only:
c) **Draft Year-End Budget Report for Fiscal Year 2025-26**
d) **Current and Future Proposals**
e) **Legislative Report**

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

a) **Consider Sphere of Influence Amendment Request Involving the Napa Sanitation District and Assessor Parcel Number 046-450-076**
LAFCO will consider a sphere of influence amendment request involving the Napa Sanitation District and one unincorporated parcel totaling approximately 5.2 acres in size, located along Imola Avenue near Penny Lane, and identified as Assessor Parcel Number 046-450-076. The sphere of influence amendment request is exempt from further review under the California Environmental Quality Act pursuant to CEQA Guidelines section 15061(b)(3).

8. 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) Draft Municipal Service Review for the City of St. Helena

The Commission will review a draft Municipal Service Review for the City of St. Helena. The draft report examines the availability and adequacy of municipal services provided by the City and includes written determinations addressing the Commission's mandates related to encouraging logical and orderly boundaries and services. The Commission is invited to discuss the draft report and provide feedback to staff in anticipation of receiving a final Municipal Service Review for formal action as part of a public hearing at a future meeting. No action will be taken by the Commission as part of this item.

9. 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) Consider Approval of Amendment to the Policy on Unincorporated Islands

The Commission will consider a proposed amendment to its Policy on Unincorporated Islands as prepared by staff and the ad hoc Policy Committee. The recommended action is for the Commission to approve the policy amendment by resolution or provide further direction to staff.

b) Discuss a Draft MSR & SOI Work Plan for Fiscal Years 2026-27 & 2027-28 and Consider Scheduling a Strategic Planning Workshop

The Commission will discuss a draft MSR & SOI Work Plan for Fiscal Years 2026-27 & 2027-28 and consider providing formal direction to staff related to scheduling a strategic planning workshop.

10. EXECUTIVE OFFICER REPORT

11. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

12. CLOSED SESSIONS:

a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code sections 54956.9(d)(2) & (3))

Significant Exposure to Litigation: One potential case

Receipt of a Notice to Responsible and Trustee Agencies regarding a legal challenge to the Hess-Laird Affected Territory Property Tax Sharing Agreement and related actions.
Please see attached.

b) Conference with Legal Counsel; Initiation of Litigation – (Gov. Code, § 54956.9, subd. (d)(4).)

Number of Potential Cases: One

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

Employee: Executive Officer

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

Agency Designated Representative: Commission Chair
Unrepresented Employee: Executive Officer

13. ADJOURNMENT TO NEXT SCHEDULED MEETING

Monday, October 5, 2026, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559.

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 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 **Friday, July 31, 2026, at 12:00 P.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.

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 $500 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 $500 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 or by contacting LAFCO staff at 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. Staff reports are available online at https://napa.lafco.ca.gov/2024-staff-reports or upon request to LAFCO staff at 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/commission-meetings. 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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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6a (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Charlie Livingston, Commission Clerk

MEETING DATE: August 3, 2026

SUBJECT: Approval of Meeting Minutes: June 1, 2026 Regular Meeting

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 June 1, 2026 regular meeting, included as Attachment 1.

Staff recommends approval of draft meeting minutes.

ATTACHMENT

1) Draft Minutes for June 1, 2026 Regular Meeting

Attachment 1

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
REGULAR MEETING MINUTES OF MONDAY, JUNE 1, 2026

1. WELCOME AND CALL TO ORDER; ROLL CALL

Chair called the regular meeting of June 1, 2026 to order at 2:00 PM.
At the time of roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioner	Staff
Beth Painter, Chair	Joelle Gallagher	Brendon Freeman, Executive Officer
Belia Ramos, Vice Chair	Eve Kahn	Gary Bell, Commission Counsel
Anne Cottrell	David Oro	S ephanie Pratt, Staff Analyst
Paul Dohring		Charlie Livingston, Commission Clerk
Jeffrey Crosswhite		

2. PLEDGE OF ALLEGIANCE

Chair Painter led the Pledge of Allegiance.

3. DISCLOSURES UNDER POLITICAL REFORM ACT/LEVINE ACT

4. OATH OF OFFICE FOR NEW COMMISSIONER JEFFREY CROSSWHITE

Commission Counsel Bell ad tered Oath of Office for new Commissioner Jeffrey Crosswhite.

5. APPROVAL OF AGENDA

The Chair approved th Agenda s prepared by the Executive Officer with any requests to remove or rearrange item by memb rs of e Commission or staff.

It was concluded at Consent tem 7c would be pulled from the Agenda for discussion per request by Commissioner Co trell, as well as 7d per request by Vice Chair Ramos.

6. PUBLIC COMMENTS

Chair Painter invited members of the audience to provide public comment at 2:08 PM.

Yvonne Baginski: Napa resident and Napa Wildlife Habitat Conservation Coalition founder, provided a supplemental map to prioritize wildlife preservation during local annexation and SOI reviews, as this area holds some of California's highest biodiversity.

7. CONSENT ITEMS

Action Items:

a) **Approval of Meeting Minutes: June 1, 2026 Regular Meeting**
b) **Approval of Contract with Auditors Clifton Larson Allen for Audit Services**
c) **Approval of Legal Services Agreement with Renne Public Law Group *(pulled)***
d) **Approval of Contract Amendment with AP Triton for the Countywide Fire and Emergency Medical Services Municipal Review *(pulled)***

Upon motion by Commissioner Cottrell and second by Commissioner Dohring, the Commission unanimously approved the minutes of June 1, 2026, and the Contract with Clifton Larson Allen for Audit Services by the following singular vote:

VOTE:

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

Receive Report for Information Only:

e) Third Quarter Budget Report for Fiscal Year 2025-26
f) Work Program Update
g) 2026 CALAFCO Staff Workshop Summary
h) Current and Future Proposals

c) Approval of Legal Services Agreement with Renne Public Law Group *(pulled)*

This item was pulled by Commissioner Cottrell to recommend that this be discussed during a closed session at the next meeting in order to hear more about the services being considered. Commissioner Dohring recommended a "Not to Exceed" clause for the contract as well.

Upon motion by Commissioner Dohring and second by Commissioner Ramos, the Commission unanimously agreed to approve the contract containing a "Not to Exceed" amount of $20,000 by the following vote:

VOTE:

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

d) Approval of Contract Amendment with AP Triton for the Countywide Fire and Emergency Medical Services Municipal Review *(pulled)*

This item was pulled by Vice Chair Ramos for discussion. AP Triton has exhausted its contract budget but failed to meet performance deadlines for the original MSR. The Commission directed counsel and staff to amend and transmit to AP Triton the unsubmitted demand for performance letter setting strict new deadlines to complete the MSR with the addition of the missing information that was requested by the County in its letter dated February 26, 2026, without incurring any extra costs for this work.

Upon motion by Commissioner Cottrell and second by Vice Chair Ramos, the Commission unanimously directed staff to transmit a demand for performance letter to AP Triton by the following vote:

VOTE:

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

8. SPECIAL PRESENTATION: CSDA Public Affairs Field Coordinator Colleen Haley

The Commission received a presentation from California Special Districts Association Public Affairs Field Coordinator Colleen Haley with information regarding Napa LAFCO's membership. Benefits from the membership include, but are not limited to, legislative bill tracking, advocacy news, direct communication with Staff, in-house legal counsel, and training webinars.

9. PUBLIC HEARING ITEMS

a) Final Budget for Fiscal Year 2026-27 and Amendment to the Schedule of Fees and Deposits

The Commission considered the following actions: (1) adopting the final budget for fiscal year 2026-27 by resolution; and (2) amending the *Schedule of Fees and Deposits* by resolution.

The Budget Committee presented a proposed budget that strategically draws down reserves. The proposed amendment to the *Schedule of Fees and Deposits* is limited to updating the fully burdened staff hourly rate.

During discussion regarding this item, the Commission concluded that the budget would be best served by removing the placeholder number of $100,000 in the consulting services expenditure account. It was agreed that consulting services budget would be reduced to zero with the understanding that there will likely be a future budget adjustment following adoption of a Work Plan.

Upon motion by Vice Chair Ramos and second by Commissioner Cottrell, the Commission elected to adopt the final budget for fiscal year 2026-27 by resolution and amended the *Schedule of Fees and Deposits* by resolution by the following vote:

VOTE:

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

b) Sphere of Influence Amendment Involving the Napa Sanitation District and 1089 El Centro Avenue, Proposed El Centro Avenue No. 8 Annexation to the Napa Sanitation District, and Associated CEQA Findings

The Commission considered a Sphere of Influence amendment request submitted by a landowner along with a concurrent annexation proposal involving the Napa Sanitation District and one unincorporated parcel located at 1089 El Centro Avenue and identified by the County of Napa Assessor's Office as 038-110-050. The sphere amendment and annexation are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines sections 15319(b) and 15320.

Prior to the discussion of this item Vice Chair Ramos disclosed that she had previously met with the property owner as well as the Napa Sanitation District. Vice Chair Ramos indicated that Executive Officer Freeman had also been present at one of these meetings.

Chair Painter opened the public hearing and reviewed the rules for orderly comments. No comments were received. Chair Painter closed the public hearing.

Chair Painter invited Napa Sanitation District Associate Engineer Matt Lemmon to the podium to assist with clarification regarding the item. Mr. Lemon explained that Napa Sanitation is uncomfortable providing additional service under the current arrangement, but if the affected territory is annexed, they would allow service consistent with county zoning in this area. This covers possible additional units in this area, provided they are approved by the county.

Upon motion by Vice Chair Ramos and second by Commissioner Cottrell, the Commission unanimously approved the sphere amendment by resolution by the following vote:

VOTE:

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

Upon motion by Vice Chair Ramos and second by Commissioner Dohring, the Commission unanimously approved the annexation by resolution by the following vote:

VOTE

AYES:	**PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING**
NOES:	**NONE**
ABSENT:	**NONE**
ABSTAIN:	**NONE**

c) Paoli Loop/Watson Lane Reorganization Involving Annexation to the City of American Canyon and Detachment from County Service Area No. 4

The Commission considered a proposal from the City of American Canyon to annex approximately 86.9 acres of unincorporated territory to the City and concurrently detach the affected territory from County Service Area No. 4. The Commission, serving as responsible agency, also considered the Paoli Loop/Watson Lane Annexation Project Final Environmental Impact Report and Mitigation Monitoring and Reporting Program prepared and certified by the City of American Canyon, serving as the lead agency for the project under the California Environmental Quality Act pursuant to CEQA Guidelines sections 15319(b) and 15320.

Prior to the discussion of this item there were a few disclosures. Commissioner Crosswhite had a conversation with the American Canyon City Manager, while Vice Chair Ramos met with the American Canyon City Manager and Mayor, the applicant and their Counsel, and with the City's Fire Chief. Vice Chair Ramos also received a letter regarding this item and stated that she intended to forward it to LAFCO Counsel. Commissioner Cottrell disclosed that she had met with City Staff and Elected Officials, as well as having had a phone conversation with Land Developer Terry McGrath. Rubin Cruse, Special Counsel for this item, joined the June meeting virtually.

Executive Officer Freeman began by making two corrections to the Staff Report on this item. First, it was clarified that a property tax exchange agreement had been reached between the City and County, where taxes will be split equally between the two. This corrects an error in the breakdown in the published Staff Report.

Second, Executive Officer Freeman explained that a Protest Hearing would be necessary provided the Commission approves the application as submitted. The information about Protest Hearings provided in the original footnote in the staff report provided protest thresholds for *uninhabited* areas of 12 registered voters or less, whereas this territory is legally considered *inhabited* and the applicable protest thresholds are slightly different. California Government Code **§** 57091 gives the Executive Officer authority to conduct and oversee the hearing on behalf of the Commission. It also denotes that a majority protest may mean proceedings are: (a) terminated if written protests are filed by at least 50% of registered voters; (b) an election to be decided by registered voters will be required if written protests are filed by at least 25% or less than 50% of registered voters, or if written protests are filed by at least 25% of the number of landowners who also own at least 25% of the assessed value of land within the affected territory; or (c) LAFCO would order the reorganization without an election.

Chair Painter opened the public hearing and reviewed the rules for orderly comments. No comments were received. Chair Painter closed the public hearing.

Upon motion by Commissioner Cottrell and second by Vice Chair Ramos, the Commission unanimously approved the reorganization by the following vote:

<u>VOTE:</u>

AYES:	**<u>PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING</u>**
NOES:	**<u>NONE</u>**
ABSENT:	**<u>NONE</u>**
ABSTAIN:	**<u>NONE</u>**

A second vote to delegate authority to the Executive Officer to schedule and conduct a Protest Hearing for this Item was put in motion by Vice Chair Ramos and second by Commissioner Dohring, the Commission unanimously approved the item by the following vote:

<u>VOTE:</u>

AYES:	**<u>PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING</u>**
NOES:	**<u>NONE</u>**
ABSENT:	**<u>NONE</u>**
ABSTAIN:	**<u>NONE</u>**

10. ACTION ITEMS

a) Appointment to the Ad Hoc Subcommittee on Municipal Service Reviews and Spheres of Influence

The Committee considered making an appointment to fill a vacant seat on the ad hoc subcommittee that was established by the Commission to advise staff on various matters related to municipal service reviews and sphere of influence studies. Vice Chair Ramos nominated Commissioner Crosswhite for the position, who accepted the nomination.

Upon motion by Vice Chair Ramos and second by Commissioner Dohring, the Commission unanimously appointed Commissioner Crosswhite to the subcommittee by the following vote:

<u>VOTE:</u>

AYES:	**<u>PAINTER, RAMOS, COTTRELL, CROSSWHITE, DOHRING</u>**
NOES:	**<u>NONE</u>**
ABSENT:	**<u>NONE</u>**
ABSTAIN:	**<u>NONE</u>**

11. EXECUTIVE OFFICER REPORT

Executive Officer Freeman relayed plans for the August meeting, including follow up about a Strategic Planning Retreat, an update from the MSR/SOI ad hoc subcommittee and Public Draft for the City of St. Helena MSR. There is also potential for an update to the Countywide Fire MSR. The Executive Officer indicated that Staff is excited to be a part of Bay Area Resiliency Collaborative Planning Project (Bay ARC) and more information about this will come at future meetings.

12. COMMISSIONER COMMENTS/REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Cottrell inquired about a timeline for developing a Work Plan. Executive Officer Freeman reported that there were two options: one where the MSR/SOI Ad Hoc Committee helps to create the plan and bring it to the meeting, or a Strategic Planning Event can come before. It was agreed upon that Staff would develop the framework for a Work Plan and present it at the August meeting, with a timeline, alternate items, and a narrative regarding why items are being included.

13. CLOSED SESSION: 3:49 PM

a) Public Employee Performance Evaluation (Gov. Code, § 54957)
Title: Executive Officer

Meeting reconvened at 4:30 PM. No reportable action.

14. ADJOURNMENT at 4:33 PM TO NEXT SCHEDULED MEETING

Monday, August 3, 2026, at 2:00 P.M. at the Napa County Board of Supervisors Chambers, located at 1195 Third Street, 3rd floor, Napa, CA 94559

____
Beth Painter, LAFCO Chair

ATTEST:

____
Brendon Freeman, Executive Officer

Prepared by:

____
Charlie Livingston, Commission Clerk

1754 Second Street, Suite C
Napa, California 94559
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Agenda Item 6b (Consent/Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer BF

MEETING DATE: August 3, 2026

SUBJECT: Approval of Resolution Amending Conflict of Interest Code

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 adopt the Resolution of the Local Agency Formation Commission of Napa County Amending its Conflict of Interest Code (COIC), included as Attachment 1.

As a local public agency, LAFCO must have a COIC that sets forth the obligations of staff and Commissioners to disclose their financial interests. Every two years, all public agencies must review their COICs and notify their code reviewing body of any changes needed to their adopted COIC. Because LAFCO's jurisdiction is limited to Napa County, the County of Napa is the code reviewing body for LAFCO, meaning the County must approve LAFCO's COIC and any amendments.

Staff proposes an amendment to the COIC that would make a handful of relatively minor revisions as shown with tracked changes in Attachment 2. The most significant recommended revision is to add two staff positions to the list of designated employee positions subject to Form 700 financial interest disclosure requirements.

If the Commission adopts the draft resolution, staff will then provide the amended COIC to the County for approval.

ATTACHMENTS

1) Draft Resolution Amending Conflict of Interest Code
2) Draft Amendments to Conflict of Interest Code Showing Tracked Changes

RESOLUTION NO. _____

**RESOLUTION OF THE
LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDING ITS CONFLICT OF INTEREST CODE**

WHEREAS, the Political Reform Act of 1974 (Government Code Sections 81000, et seq., hereinafter the “PRA”) requires the Local Agency Formation Commission of Napa County (hereinafter LAFCO) to adopt a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission (hereinafter referred to as “FPPC”) has adopted a regulation (Section 18730 of Title 2 of the California Code of Regulations) containing a standard conflict of interest code which may be incorporated by reference into the code of a local agency; and

WHEREAS, LAFCO is required to review and amend its Conflict of Interest Code biennially to determine if amendments are needed; and

WHEREAS, an amendment to the Conflict of Interest Code is necessary to update the list of designated filers; and

WHEREAS, LAFCO staff has provided notice of the proposed amendment to its adopted Conflict of Interest Code to the County of Napa, as the code reviewing body for LAFCO; and

WHEREAS, at a regular meeting of LAFCO, held on August 3, 2026, oral and/or written comments on the proposed amendment to the Conflict of Interest Code were received from affected persons and/or the general public, and these comments and the proposed revisions were considered by LAFCO;

NOW, THEREFORE, BE IT RESOLVED by LAFCO that the Conflict of Interest Code shall be amended and adopted in the manner set forth in Exhibit “A,” attached hereto and incorporated herein by reference, effective upon confirmation by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

BE IT FURTHER RESOLVED by LAFCO that the Clerk is hereby directed to certify as to the adoption of this resolution and forward the Conflict of Interest Code as set forth in Exhibit “A” to the County of Napa for its review.

BE IT FURTHER RESOLVED by LAFCO that the adoption of this resolution and the amendment of LAFCO’s Conflict of Interest Code is not a project for purposes of the California Environmental Quality Act (hereinafter CEQA) pursuant to section 15061(b)(3) of the CEQA Guidelines, as there is no possibility that this activity may have a significant effect on the environment, and section 15378(b)(2) of the CEQA Guidelines, as an administrative and personnel-related policymaking activity.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on August 3, 2026, after a motion by Commissioner ____________, seconded by Commissioner _______________, by the following vote:

AYES: Commissioners ____

NOES: Commissioners ____

ABSENT: Commissioners ____

ABSTAIN: Commissioners ____

____

Bet[illegible] Painter
Commission Chair

ATTEST: ______________________

Brendon Freeman
Executive Officer

Recorded by: Charlie Livingston
Commission Clerk

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Conflict of Interest Code

(Adopted: January 9, 2003; Last Amended: August 3, 2026)

1. Purpose. The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations, Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act (the "Act"). Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference as if set forth fully herein.

2. List of Designated Employees. For the purposes of the Act and this Conflict of Interest Code, the Designated Employees of LAFCO shall be the persons holding those offices and performing the functions of the positions set forth in Appendix "A," attached hereto and incorporated by reference herein.

3. List of Disclosure Categories. For purposes of the requirements of the Act and the provisions of this code, the disclosure categories for the Designated Employees of LAFCO shall be those set forth in Appendix "B," attached hereto and incorporated by reference herein.

4. Documents Comprising Conflict of Interest Code. For purposes of the Act, the terms of Section 18730 of Title 2 of the California Code of Regulations, as may be amended from time to time, and Appendices "A" and "B" shall together constitute the Conflict of Interest Code of LAFCO on and after the date of confirmation by the Napa County Board of Supervisors.

5. Effective Date of Code. This Conflict of Interest Code shall become effective when confirmed by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

6. Documents to be filed with the Board of Supervisors. As the "Filing Officer" under this Code, the LAFCO Clerk shall file three certified copies of the Conflict of Interest Code, as approved/amended by the LAFCO Commission, with the Napa County Board of Supervisors as the code reviewing body for LAFCO.

7. Time of Filing Statements of Economic Interests. All persons who are required by this Conflict of Interest Code to file Statements of Economic Interests ("Statements" or "Form 700s"), shall file assuming office, leaving office, and annual Statements as required by Section 18730 of Title 2 of California Code of Regulations.

8. Place of Filing. Designated employees shall file their Statements of Economic Interests with the LAFCO Clerk, who shall retain the original Statements in the LAFCO business office.

9. Public Inspection of Conflict of Interest Code and Statements. A copy of the Conflict of Interest Code and all filed Statements shall be maintained in the office of LAFCO and be available for public inspection and copying during regular business hours.

10. LAFCO Review of Adopted Code.

A. No later than October 1 of each even-numbered year, LAFCO shall submit to the Napa County Board of Supervisors, as the code reviewing body for LAFCO, a written statement signed by the LAFCO Executive Officer, or designee thereof, that either:

1. LAFCO has reviewed the Conflict of Interest Code, that the Conflict of Interest Code designates accurately all positions which make or participate in the making of governmental decisions for LAFCO, that the disclosure assigned those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those designated positions, and that the Conflict of Interest Code contains the provisions required by Government Code section 87302; or

2. LAFCO has reviewed the Conflict of Interest Code and has determined that amendment is necessary to designate all positions which make or participate in the making of governmental decisions for LAFCO, or to update the disclosure categories assigned to require the disclosure of all investments, business positions, interests in real property and sources of income which may be affected materially by the designated positions, or to include other provisions required by Government Code section 87302. If the statement contains this report, LAFCO shall submit the amendment to the Napa County Board of Supervisors within 90 days of the report.

B. Changed circumstances which require amendment of the Conflict of Interest Code shall include, but not be limited to:

1. The creation of positions which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest;

2. The reclassification, renaming, or deletion of previously designated positions;

3. The addition, deletion, or modification of statutorily-required provisions of this Conflict of Interest Code; or

4. The addition, deletion, or modification of the specific types of investments, business positions, interests in real property, and sources of income which are reportable unless such changes have been automatically incorporated into this Conflict of Interest Code as the result of inclusion of amendments made to Section 18730 of Title 2 of the California Code of Regulations by the Fair Political Practices Commission.

APPENDIX "A"

LIST OF DESIGNATED EMPLOYEES

Because of the nature of the powers and duties conferred on the Local Agency Formation Commission of Napa County under the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.), the policies adopted by the LAFCO Commission, and the terms of support services and consultant agreements approved by the LAFCO Commission, the following positions within LAFCO may involve the making or participation in the making of decisions of LAFCO which may foreseeably have a material effect on financial interests of the holders of the positions. The positions are listed because their scope of authority or work involve either making final decisions for LAFCO which have financial consequences or developing and/or exercising such a level of expertise and ongoing relationship with those who make such decisions that the decision-makers can reasonably be expected to routinely trust and rely upon their advice.

For purposes of filing Statements of Economic Interests as required by this Conflict of Interest Code, the "Designated Employees" of LAFCO shall be those persons who actually occupy or carry out the functions of the following positions, whether as elected or appointed officers, compensated employees, or contracted consultants:

<u>DESIGNATED EMPLOYEE POSITIONS</u>

Members of the LAFCO Commission (including any persons serving as **Alternate Commission Members**)

LAFCO Executive Officer

LAFCO Staff Analyst I

LAFCO Office Assistant II (Commission Clerk)

LAFCO Legal Counsel

Auditor-Controller (Napa County Auditor-Controller, serving ex-officio)

Contract Consultants for LAFCO - Contract consultants shall be included in the list of Designated Employees and shall disclose their material financial interests in regard to all of the adopted disclosure categories, subject to the following limitation:

> The LAFCO Executive Officer may determine in writing that a particular contract consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to comply or fully comply with all of the disclosure requirements described in Appendix "B". This written determination shall include a description of the contract consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. This determination is a public record and shall be retained for public inspection and be available for inspection and copying in the same location and manner as LAFCO's copy of the Conflict of Interest Code.

APPENDIX "B"

DISCLOSURE CATEGORIES

The decisions which the Designated Employees may make, or participate in making, for LAFCO may involve exercising or directly influencing the exercise of powers conferred on LAFCO by the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.).

The decisions by the Designated Employees in the course of their work for LAFCO may have the potential to materially impact any or all of those types of financial interests listed in all the Disclosure Schedules of the Statement of Economic Interests Form 700 adopted by the Fair Political Practices Commission.

For this reason, all of the Designated Employees under this Conflict of Interest Code, other than contract consultants who are exempted from disclosure on a case-by-case basis pursuant to Appendix "A," shall disclose the following financial interests:

(i) All income as defined in Government Code Section 82030 (including but not limited to gifts, loans and travel payments); and
(ii) All investments as defined in Government Code Section 82034; and
(iii) All interests in real property as defined in Government Code Section 82033; and
(iv) All business positions as defined in 2 California Code of Regulations Section 18730(b)(7)(D) in business entities as defined in Government Code section 82005 that may foreseeably be affected materially by the decisions made by LAFCO or any Designated Employee of LAFCO

CERTIFICATIONS

I hereby certify that I am the Clerk and custodian of records of the Local Agency Formation Commission and that the attached Resolution is a true and correct copy of the original approved by the LAFCO Commission and on file in the LAFCO office.

Charlie Livingston
LAFCO Clerk

By___________________________

I hereby certify that the Conflict of Interest Code for the Local Agency Formation Commission of Napa County was approved and confirmed by the Napa County Board of Supervisors, as the code reviewing body for LAFCO by action of the Board of Supervisors on ____________________________, 20__, and recorded in the certified minutes of the Board of Supervisors for that date.

Clerk of the Napa County Board of Supervisors

By___________________________________

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Conflict of Interest Code

(Adopted: January 9, 2003; Last Amended: ~~October 7, 2024~~August 3, 2026)

1. Purpose. The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations, Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act (the "Act"). Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference as if set forth fully herein.

2. List of Designated Employees. For the purposes of the Act and this Conflict of Interest Code, the Designated Employees of LAFCO shall be the persons holding those offices and performing the functions of the positions set forth in Appendix "A," attached hereto and incorporated by reference herein.

3. List of Disclosure Categories. For purposes of the requirements of the Act and the provisions of this code, the disclosure categories for the Designated Employees of LAFCO shall be those set forth in Appendix "B," attached hereto and incorporated by reference herein.

4. Documents Comprising Conflict of Interest Code. For purposes of the Act, the terms of Section 18730 of Title 2 of the California Code of Regulations, as may be amended from time to time, and Appendices "A" and "B" shall together constitute the Conflict of Interest Code of LAFCO on and after the date of confirmation by the Napa County Board of Supervisors.

5. Effective Date of Code. This Conflict of Interest Code shall become effective when confirmed by the Napa County Board of Supervisors acting as the code reviewing body for LAFCO.

6. Documents to be filed with the Board of Supervisors. As the "Filing Officer" under this Code, the LAFCO ~~Secretary~~ Clerk shall file three certified copies of the Conflict of Interest Code, as approved/amended by the LAFCO Commission, with the Napa County Board of Supervisors as the code reviewing body for LAFCO.

7. Time of Filing Statements of Economic Interests. All persons who are required by this Conflict of Interest Code to file Statements of Economic Interests ("Statements" or "Form 700s"), shall file assuming office, leaving office, and annual Statements as required by Section 18730 of Title 2 of California Code of Regulations.

8. Place of Filing. Designated employees shall file their Statements of Economic Interests with the LAFCO ~~Secretary~~Clerk, who shall retain the original Statements in the LAFCO business office.

9. Public Inspection of Conflict of Interest Code and Statements. A copy of the Conflict of Interest Code and all filed Statements shall be maintained in the office of LAFCO and be available for public inspection and copying during regular business hours.

10. LAFCO Review of Adopted Code.

A. No later than October 1 of each even-numbered year, LAFCO shall submit to the Napa County Board of Supervisors, as the code reviewing body for LAFCO, a written statement signed by the LAFCO Executive Officer, or designee thereof, that either:

1. LAFCO has reviewed the Conflict of Interest Code, that the Conflict of Interest Code designates accurately all positions which make or participate in the making of governmental decisions for LAFCO, that the disclosure assigned those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those designated positions, and that the Conflict of Interest Code contains the provisions required by Government Code section 87302; or

2. LAFCO has reviewed the Conflict of Interest Code and has determined that amendment is necessary to designate all positions which make or participate in the making of governmental decisions for LAFCO, or to update the disclosure categories assigned to require the disclosure of all investments, business positions, interests in real property and sources of income which may be affected materially by the designated positions, or to include other provisions required by Government Code section 87302. If the statement contains this report, LAFCO shall submit the amendment to the Napa County Board of Supervisors within 90 days of the report.

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2. The reclassification, renaming, or deletion of previously designated positions;

3. The addition, deletion, or modification of statutorily-required provisions of this Conflict of Interest Code; or

4. The addition, deletion, or modification of the specific types of investments, business positions, interests in real property, and sources of income which are reportable unless such changes have been automatically incorporated into this Conflict of Interest Code as the result of inclusion of amendments made to Section 18730 of Title 2 of the California Code of Regulations by the Fair Political Practices Commission.

APPENDIX "A"

LIST OF DESIGNATED EMPLOYEES

Because of the nature of the powers and duties conferred on the Local Agency Formation Commission of Napa County under the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et~~.~~ seq.), the policies adopted by the LAFCO Commission, and the terms of support services and consultant agreements approved by the LAFCO Commission, the following positions within LAFCO may involve the making or participation in the making of decisions of LAFCO which may foreseeably have a material effect on financial interests of the holders of the positions. The positions are listed because their scope of authority or work involve either making final decisions for LAFCO which have financial consequences or developing and/or exercising such a level of expertise and ongoing relationship with those who make such decisions that the decision-makers can reasonably be expected to routinely trust and rely upon their advice.

For purposes of filing Statements of Economic Interests as required by this Conflict of Interest Code, the "Designated Employees" of LAFCO shall be those persons who actually occupy or carry out the functions of the following positions, whether as elected or appointed officers, compensated employees, or contracted consultants:

DESIGNATED EMPLOYEE POSITIONS

Members of the LAFCO Commission (including any persons serving as **Alternate Commission Members**)

LAFCO Executive Officer

LAFCO ~~Assistant Executive Officer~~

~~LAFCO Clerk/Junior~~ Staff Analyst I

LAFCO Office Assistant II (Commission Clerk)

LAFCO Legal Counsel

Auditor-Controller (Napa County Auditor-Controller, serving ex-officio)

Contract Consultants for LAFCO - Contract consultants shall be included in the list of Designated Employees and shall disclose their material financial interests in regard to all of the adopted disclosure categories, subject to the following limitation:

> The LAFCO Executive Officer may determine in writing that a particular contract consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to comply or fully comply with all of the disclosure requirements described in Appendix "B". This written determination shall include a description of the contract consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. This determination is a public record and shall be retained for public inspection and be available for inspection and copying in the same location and manner as LAFCO's copy of the Conflict of Interest Code.

APPENDIX "B"

DISCLOSURE CATEGORIES

The decisions which the Designated Employees may make, or participate in making, for LAFCO may involve exercising or directly influencing the exercise of powers conferred on LAFCO by the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et. seq.).

The decisions by the Designated Employees in the course of their work for LAFCO may have the potential to materially impact any or all of those types of financial interests listed in all the Disclosure Schedules of the Statement of Economic Interests Form 700 adopted by the Fair Political Practices Commission.

For this reason, all of the Designated Employees under this Conflict of Interest Code, other than contract consultants who are exempted from disclosure on a case-by-case basis pursuant to Appendix "A," shall disclose the following financial interests:

(i) All income as defined in Government Code Section 82030 (including but not limited to gifts, loans and travel payments); and
(ii) All investments as defined in Government Code Section 82034; and
(iii) All interests in real property as defined in Government Code Section 82033; and
(iv) All business positions as defined in 2 California Code of Regulations Section 18730(b)(7)(D) in business entities as defined in Government Code section 82005 that may foreseeably be affected materially by the decisions made by LAFCO or any Designated Employee of LAFCO.

CERTIFICATIONS

I hereby certify that I am the ~~Secretary~~ Clerk and custodian of records of the Local Agency Formation Commission and that the attached Resolution is a true and correct copy of the original approved by the LAFCO Commission and on file in the LAFCO office.

~~Stephanie Pratt~~Charlie Livingston
LAFCO Clerk~~/Jr. Analyst~~

By____________________________

I hereby certify that the Conflict of Interest Code for the Local Agency Formation Commission of Napa County was approved and confirmed by the Napa County Board of Supervisors, as the code reviewing body for LAFCO by action of the Board of Supervisors on _____________________________, 20__, and recorded in the certified minutes of the Board of Supervisors for that date.

Clerk of the Napa County Board of Supervisors

By____________________________________

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

Agenda Item 6c (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F
Stephanie Pratt, Staff Analyst S P

MEETING DATE: August 3, 2026

SUBJECT: Draft Year-End Budget Report for Fiscal Year 2025-26

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 Commission will receive a draft year-end budget to actual report for the 2025-26 fiscal year, included as Attachment 1. All final numbers will be presented to the Commission at its December regular meeting as part of the annual audit report.

Operating revenues and expenses were budgeted at $773,950 and $859,655, respectively. The intentional deficit totaling $85,705 was primarily tied to drawing down reserves to finance two consultant contracts to prepare Municipal Service Reviews.

The draft budget sheet, included as Attachment 1, shows actual revenues and expenses totaling $774,230 and $696,920, respectively, resulting in a project year-end surplus of $77,310 and an available fund balance ("reserves") totaling $549,940.

ATTACHMENT

1) FY 2025-26 Draft Year-End Revenue & Expense Report

Statement of Revenues and Expenses Budget vs. Actual

For Fiscal Year: 2026 Through Period: 13

Fund: 8400 - Local Agency Formation Comm

	Budget								
Object	Adopted	Adjustments	Revised	Encumbrances	Actuals	Available Budget	% of Budget	LY Actuals	Actuals Variance
License, Permits and Franchises									
42690 - Permits Other/Application Fees	25,000.00	-	25,000.00	-	6,317.84	18,682.16	25.27 %	26,995.86	-20,678.02
Total License, Permits and Franchises	**25,000.00**	**-**	**25,000.00**	**-**	**6,317.84**	**18,682.16**	**25.27 %**	**26,995.86**	**-20,678.02**
Intergovernmental Revenues									
43910 - County of Napa	368,975.00	-	368,975.00	-	368,975.00	-	100.00 %	368,975.00	0.00
43950 - Other - Governmental Agencies	368,975.00	-	368,975.00	-	368,976.00	(1.00)	**100.00 %**	**368,974.00**	**2.00**
Total Intergovernmental Revenues	**737,950.00**	**-**	**737,950.00**	**-**	**737,951.00**	**(1.00)**	**100.00 %**	**737,949.00**	**2.00**
Revenue from Use of Money and Property									
45100 - Interest	10,000.00	-	10,000.00	-	29,961.63	(19,961.63)	**299.62 %**	**20,831.77**	**9,129.86**
Total Revenue from Use of Money and Property	**10,000.00**	**-**	**10,000.00**	**-**	**29,961.63**	**(19,961.63)**	**299.62 %**	**20,831.77**	**9,129.86**
Charges for Services									
46800 - Charges for Services	1,000.00	-	1,000.00	-	-	1,000.00	0.00 %	4,000.00	-4,000.00
Total Charges for Services	**1,000.00**	**-**	**1,000.00**	**-**	**-**	**1,000.00**	**0.00 %**	**4,000.00**	**-4,000.00**
Salaries and Employee Benefits									
51210 - Director/Commissioner Pay	7,200.00	-	7,200.00	-	4,650.00	2,550.00	64.58 %	8,550.00	-3,900.00
51300 - Medicare	250.00	-	250.00	-	67.44	182.56	26.98 %	124.01	-56.57
51305 - FICA	700.00	-	700.00	-	288.30	411.70	41.19 %	530.10	-241.80
Total Salaries and Employee Benefits	**8,150.00**	**-**	**8,150.00**	**-**	**5,005.74**	**3,144.26**	**61.42 %**	**9,204.11**	**-4,198.37**
Services and Supplies									
52100 - Administration Services	630,571.00	-	630,571.00	-	523,648.85	106,922.15	83.04 %	468,793.85	54,855.00
52125 - Accounting/Auditing Services	7,500.00	-	7,500.00	-	8,104.00	(604.00)	**108.05 %**	**8,276.50**	**-172.50**
52130 - Information Technology Svcs	31,635.00	-	31,635.00	-	30,392.00	1,243.00	96.07 %	21,710.85	8,681.15
52131 - ITS Communication Charges	2,908.00	-	2,908.00	-	2,508.00	400.00	86.24 %	2,757.00	-249.00
52140 - Legal Services	35,000.00	-	35,000.00	15,328.11	28,486.00	(8,814.11)	**125.18 %**	**47,410.75**	**-18,924.75**
52310 - Consulting Services	75,000.00	-	75,000.00	-	42,883.75	32,116.25	57.18 %	126,471.84	-83,588.09
52345 - Janitorial Services	300.00	-	300.00	-	308.28	(8.28)	**102.76 %**	**336.00**	**-27.72**
52515 - Maint - Software	2,892.00	-	2,892.00	-	1,797.60	1,094.40	62.16 %	1,512.00	285.60
52600 - Rents/Leases - Equipment	3,000.00	-	3,000.00	-	2,132.56	867.44	71.09 %	2,323.85	-191.29
52605 - Rents/Leases - Buildings/Land	28,200.00	-	28,200.00	-	28,200.00	-	100.00 %	27,570.00	630.00
52700 - Insurance - Liability	12,157.00	-	12,157.00	-	-	12,157.00	0.00 %	0.00	0.00
52800 - Communications/Telephone	3,000.00	-	3,000.00	1,762.50	2,484.35	(1,246.85)	**141.56 %**	**3,273.81**	**-789.46**

Attachment 1

Services and Supplies									
52830 - Publications and Legal Notices	1,000.00	-	1,000.00	-	1,036.00	(36.00)	**103.60 %**	**744.38**	**291.62**
52835 - Filing Fees	200.00	-	200.00	-	160.75	39.25	80.38 %	200.00	-39.25
52900 - Training/Conference Expenses	10,000.00	-	10,000.00	-	14,416.58	(4,416.58)	**144.17 %**	**8,657.97**	**5,758.61**
52905 - Business Travel/Mileage	500.00	-	500.00	-	-	500.00	0.00 %	0.00	0.00
53100 - Office Supplies	1,000.00	-	1,000.00	-	767.10	232.90	76.71 %	627.98	139.12
53110 - Freight/Postage	100.00	-	100.00	-	80.48	19.52	80.48 %	0.00	80.48
53115 - Books/Media/Subscriptions	119.00	-	119.00	-	240.00	(121.00)	**201.68 %**	**0.00**	**240.00**
53120 - Memberships/Certifications	3,523.00	-	3,523.00	-	2,383.00	1,140.00	67.64 %	3,411.00	-1,028.00
53205 - Utilities - Electric	2,500.00	-	2,500.00	-	1,755.01	744.99	70.20 %	1,442.82	312.19
53650 - Business Related Meals/Supply	400.00	-	400.00	-	130.00	270.00	32.50 %	0.00	130.00
Total Services and Supplies	**851,505.00**	**-**	**851,505.00**	**17,090.61**	**691,914.31**	**142,500.08**	**83.26 %**	**725,520.60**	**-33,606.29**

33100 - Beginning Available Fund Balance					**472,629.50**				
Total Revenues	**773,950.00**		**773,950.00**		**774,230.47**	**(280.47)**	**100.04 %**	**789,776.63**	**-15,546.16**
Total Expenditures	**859,655.00**		**859,655.00**	**17,090.61**	**696,920.05**	**145,644.34**	**83.06 %**	**696,920.05**	**0.00**
Net Surplus / (Deficit)	**(85,705.00)**	**-**	**(85,705.00)**		**77,310.42**			**92,856.58**	**-15,546.16**
33100 - Fiscal Year 2026 Transactions					**-**				
33100 - Current Available Fund Balance					**549,939.92**				

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

Agenda Item 6d (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Stephanie Pratt, Staff Analyst SP

MEETING DATE: August 3, 2026

SUBJECT: Current and Future Proposals

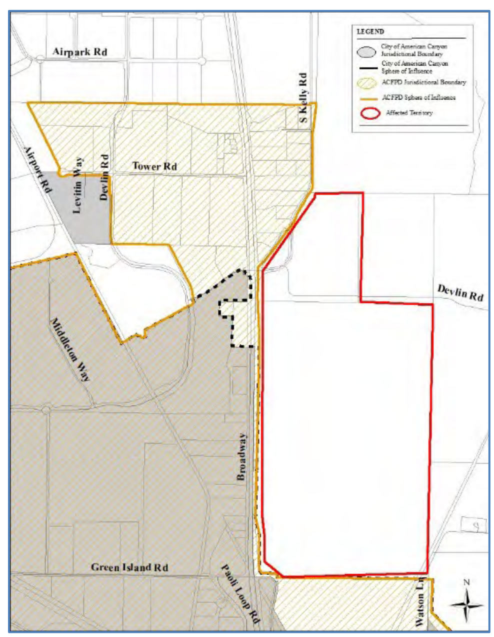
SUMMARY

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 zero active proposals on file and three anticipated new proposals that are expected to be submitted in the future. A summary follows.

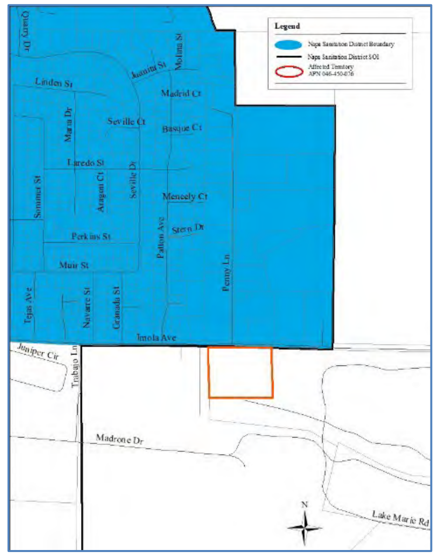
Anticipated Proposals

Hess-Laird Sphere of Influence (SOI) Amendments and Annexations to the City of American Canyon and the American Canyon Fire Protection District (ACFPD)



The landowners of two unincorporated parcels previously submitted a preliminary application for concurrent SOI amendments and annexations involving the City of American Canyon and ACFPD. The two parcels total approximately 282 acres in size and are identified as APNs 057-090-065 and 057-090-066. The submitted application is incomplete pending completion of environmental review consistent with the requirements of CEQA. It is anticipated a revised application or multiple separate applications will be submitted in the future.

Imola Avenue State Housing Site Annexation to the Napa Sanitation District (NSD)



A developer team submitted a request to amend NSD's SOI to include an approximate 5.22-acre parcel located on Imola Avenue and identified as APN 046-450-041. The SOI amendment request has been scheduled for today's meeting as part of a noticed public hearing. Annexation to NSD hasn't been proposed as of the date of this report. However, if the Commission approves the SOI amendment request, it is anticipated a subsequent proposal for annexation to NSD would be submitted shortly thereafter.

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 identified as APN 057-090-060. The purpose of annexation is to expand the City's existing materials diversion facility operations. The property is located outside the City of Napa's SOI and in proximity to the City of American Canyon's boundary. Annexation to the City of Napa is allowed given the property is owned by the City and will be used by the City for municipal purposes.[1] It is anticipated a proposal for annexation will be submitted in the future, but there is no immediate timetable.

[1] See California Government Code §56742.

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

Agenda Item 6e (Consent/Information)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F
Stephanie Pratt, Staff Analyst S P

MEETING DATE: August 3, 2026

SUBJECT: Legislative Report

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.

The Commission previously established an ad hoc Legislative Committee to advise staff with respect to legislative items related to LAFCO. Commissioners Kahn and Oro were appointed to the Legislative Committee.

As of the 2025–2026 legislative session, the California Association of Local Agency Formation Commissions (CALAFCO) actively tracks approximately 18 to 21 bills that impact LAFCOs. Their tracking centers primarily on local government structure, transparency laws, and land use boundaries. CALAFCO's positions generally fall into four categories: Support, Oppose, Watch, and Neutral.

Given that Napa LAFCO is not a member of CALAFCO, the Commission's access to daily legislative tracking reports is limited. The most current available CALAFCO legislative tracking report is dated May 13, 2026 and included as Attachment 1.

A summary of key bills tracked and core positions taken by CALAFCO follows.

1. Open Meetings & Brown Act Transparency (Positions: Neutral to Watch)

- **AB 259 (Rubio):** Teleconference options for local agencies. CALAFCO is tracking this bill as it navigates modern rules for hybrid public engagement and structural modifications following the implementation of major Brown Act overhauls.
- **SB 707 Compliance:** Following the sweeping Brown Act teleconference rules that took effect earlier this year, CALAFCO is heavily monitoring follow-up structural trailer bills ensuring LAFCOs stay compliant with new uniform public access laws.

2. Special District Governance (Position: Oppose)

- **Childcare and Regional Special Districts:** CALAFCO maintains strict opposition to bills that attempt to bypass the traditional LAFCO process to independently establish or expand governing boundaries, such as creating separate regional child care taxing districts without local commission input.

[redacted]

ATTACHMENT

1) CALAFCO Legislative Tracking Report dated May 13, 2026

CALAFCO List of Current Bills
5/13/2026

AB 259 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.

Current Text: Amended: 4/21/2025 html pdf

Introduced: 1/16/2025

Last Amend: 4/21/2025

Status: 7/17/2025-Failed Deadline pursuant to Rule 61(a)(10). (Last location was JUD. on 5/14/2025)(May be acted upon Jan 2026)

Location: 7/17/2025-S. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030.

AB 356 (Patel D) Health care districts: County of San Diego.

Current Text: Amended: 6/26/2025 html pdf

Introduced: 1/30/2025

Last Amend: 6/26/2025

Status: 7/17/2025-Failed Deadline pursuant to Rule 61(a)(10). (Last location was L. GOV. on 7/9/2025)(May be acted upon Jan 2026)

Location: 7/17/2025-S. 2 YEAR

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Local Health Care District Law authorizes the organization, incorporation, and management of local health care districts. Current law establishes the Department of

Health Care Access and Information to oversee and administer various health programs related to health care infrastructure, such as health policy and planning, health professions development, and facilities design review and construction, among others. This bill would require the department to convene a working group to study and make recommendations regarding the provision of health care services in the northern San Diego region. The bill would require that the working group include representatives of certain health care districts, among other entities, and that it issues a report to the Legislature, on or before June 1, 2026, with its findings and recommendations. The bill would repeal these provisions on June 1, 2030.

AB 1156 (Wicks D) Solar-use easements: suspension of Williamson Act contracts: terms of easement: termination.

Current Text: Amended: 9/9/2025 html pdf

Introduced: 2/20/2025

Last Amend: 9/9/2025

Status: 9/13/2025-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2025)(May be acted upon Jan 2026)

Location: 9/13/2025-A. 2 YEAR

Desk	Policy	Fiscal	2 year	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Land Conservation Act of 1965, otherwise known as the Williamson Act, authorizes a city or county to contract with a landowner to limit the use of agricultural land to agricultural use if the land is located in an agricultural preserve designated by the city or county, as specified. The act authorizes the parties to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement if approved by the Department of Conservation, as specified. Current law defines the term "solar-use easement" for these purposes to mean any right or interest acquired by a county, or city in a parcel or parcels determined to be eligible, as provided, where the deed or other instrument granting the right or interest imposes certain restrictions that effectively restrict the use of the land to photovoltaic solar facilities for the purpose of providing for the collection and distribution of solar energy and certain other incidental or subordinate uses or other alternative renewable energy facilities. This bill would revise the definition of the term "solar-use easement" to, among other changes, expand the authorized uses of the land under the easement to include solar energy storage and appurtenant renewable energy facilities.

AB 2083 (Jackson D) Moreno Valley-Perris Childcare Special District.

Current Text: Amended: 4/27/2026 html pdf

Introduced: 2/18/2026

Last Amend: 4/27/2026

Status: 4/28/2026-Re-referred to Com. on APPR.

Location: 4/23/2026-A. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 5/13/2026 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, WICKS, BUFFY, Chair

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and spheres of influence for cities and special districts, including incorporation of cities and formation of districts. The act establishes a local agency formation commission in each county with various powers and duties, including to make certain determinations regarding, and to review and approve or disapprove, proposals for changes or organization or reorganization, as specified. This bill, the Moreno Valley-Perris Childcare Special District Act, would establish the Moreno Valley-Perris Childcare Special District for a period of 5 years for the purpose of, among other things, expanding childcare capacity and access through the development, coordination, and operation of universal childcare programs. The bill would establish the district boundaries as the incorporated area of the City of Moreno Valley, the incorporated area of the City of Perris, and the officially adopted spheres of influence for each city as determined and updated by the County of Riverside local agency formation commission (LAFCO). The bill would establish a 5-member board to govern the district and specify that certain entities, including the City of Moreno Valley and the City of Perris, are charged with each appointing a member to the board. The bill would specify the duties of the board, including, among others, the duty to develop and submit a plan of services to LAFCO that details the scope of childcare services, the hours of operation, the governance and management structure, and funding sources and sustainability.

AB 2676 (Gallagher R) Housing Crisis Act of 2019.

Current Text: Amended: 4/9/2026 html pdf

Introduced: 2/20/2026

Last Amend: 4/9/2026

Status: 5/7/2026-Read second time. Ordered to third reading.

Location: 5/7/2026-A. THIRD READING

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 5/14/2026 #68 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary: Existing law, known as the Housing Crisis Act of 2019, with respect to land where housing is an allowable use and except as specified, prohibits a county or city, including the electorate exercising its local initiative or referendum power, in which specified conditions exist, determined as provided by the Department of Housing and Community Development, from enacting a development policy, standard, or condition, as defined, that would have certain effects. Under existing law, these proscribed policies, standards, or conditions include, among others, (A) changing the land use designation or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan or specific plan land use designation and zoning ordinances of the county or city as in effect on January 1, 2018, and (B) imposing or enforcing a moratorium on housing development within all or a portion of the jurisdiction of the county or city, except as provided. Existing law states that these prohibitions apply to any zoning ordinance adopted or amended on or after the effective date of these provisions, and that any development policy, standard, or condition on or after that date that does not comply is deemed void. Existing law prohibits a county or city subject to these provisions from enforcing a zoning ordinance imposing a moratorium or other similar restriction on or limitation of housing development until it has submitted the ordinance to, and received approval from, the Department of Housing and Community Development. Existing law requires the department to approve a zoning ordinance submitted to it only if the department determines that the zoning ordinance satisfies these requirements. If the department denies approval of the zoning ordinance, as specified, existing law states that the ordinance is deemed void. This bill would expand the prohibition against enacting a development policy, standard, or condition that has the effect of imposing or enforcing a moratorium on housing development within all or a portion of the jurisdiction of the county or city to also prohibit these policies, standards, or conditions within the sphere of influence of a city, as defined.

SB 802 (Ashby D) Housing finance and development: Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program.

Current Text: Amended: 4/30/2026 html pdf

Introduced: 2/21/2025

Last Amend: 4/30/2026

Status: 4/30/2026-From committee with author's amendments. Read second time and amended. Re-referred to Com. on H. & C.D. (Amended text released 5/1/2026)

Location: 1/26/2026-A. H. & C.D.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Joint Exercise of Powers Act authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be exercised. This bill would require that the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency be restructured, expanded, amended, and renamed as the Sacramento Area

Housing and Homelessness Agency, as provided. The bill would require the agency to include the County of Sacramento and qualified local agencies, as specified and defined, and would make the agency the regional authority for prescribed activities, including developing and preserving affordable housing and coordinating and administering homelessness prevention and response services. The bill would require the updated joint powers agreement to provide for a governing board and an executive director, as provided. The bill would require the agency to adopt a comprehensive strategic plan to address housing and homelessness no later than 3 years from the date the restructured joint powers agreement takes effect. The bill would also require the agency to establish and maintain a standing advisory board, as provided.

[redacted]

SB 994 (Cabaldon D) Local agencies: nondisclosure agreements.

Current Text: Amended: 4/23/2026 html pdf

Introduced: 2/5/2026

Last Amend: 4/23/2026

Status: 5/11/2026-May 11 hearing postponed by committee.

Location: 4/22/2026-S. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law, the legislative code of ethics, prohibits Members of the Legislature from entering into, or requesting that another party enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation. Existing law also makes any nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation entered into after January 1, 2026, void and unenforceable. Existing law provides an exception for nondisclosure agreements, or portions thereof, that prevent only the disclosure of trade secrets, financial information, or proprietary information, as specified. This bill would prohibit a local agency official, as defined, acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with fellow local agency officials serving on the same council, board, commission, district, or agency. The bill would require a local agency official in violation of that provision to, among other things, disclose the existence of the nondisclosure agreement, as specified, and would provide that these requirements imposed on a local agency official also apply to a local agency official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described above before January 1, 2027.

SB 1312 (Richardson D) Cemetery and Funeral Bureau: advisory committee.

Current Text: Introduced: 2/20/2026 html pdf

Introduced: 2/20/2026

Status: 4/28/2026-Read second time. Ordered to third reading.

Location: 4/28/2026-S. THIRD READING

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 5/14/2026 #42 SENATE SENATE BILLS -THIRD READING FILE

Summary: Existing law, the Cemetery and Funeral Act, provides for the licensing, regulation, and discipline relating to cemeteries, crematories, funeral establishments, embalming, and the storage of human remains by the Cemetery and Funeral Bureau that is within the Department of Consumer Affairs. The act authorizes the bureau to establish necessary rules and regulations for the administration and enforcement of the act and the laws subject to its jurisdiction and to prescribe the form of statements and reports provided for in the act. This bill would authorize the bureau to establish an advisory committee to assist the bureau in engaging consumers and licensees in its regulatory activities. The bill would require the advisory committee, if established by the bureau, to include at least one member from licensed representatives of the death care industry, members of the public, and representatives of local governments.

SB 1440 (Committee on Local Government) Validations.

Current Text: Introduced: 3/11/2026 html pdf

Introduced: 3/11/2026

Status: 5/4/2026-Referred to Com. on L. GOV.

Location: 5/4/2026-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the First Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

SB 1441 (Committee on Local Government) Validations.

Current Text: Introduced: 3/11/2026 html pdf

Introduced: 3/11/2026

Status: 5/4/2026-Referred to Com. on L. GOV.

Location: 5/4/2026-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the Second Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

SB 1442 (Committee on Local Government) Validations.

Current Text: Introduced: 3/11/2026 html pdf

Introduced: 3/11/2026

Status: 5/4/2026-Referred to Com. on L. GOV.

Location: 5/4/2026-A. L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the Third Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Total Measures: 12
Total Tracking Forms: 12

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

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

Agenda Item 7a (Public Hearing)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: August 3, 2026

SUBJECT: Consider Sphere of Influence Amendment Request Involving the Napa Sanitation District and Assessor Parcel Number 046-450-076

RECOMMENDATION

It is recommended the Commission take the following actions:

1) Open the public hearing and take testimony;

2) Close the public hearing; and

3) Adopt one of the following:

   A. Adopt the Resolution of the Local Agency Formation Commission (LAFCO) of Napa County Making Determinations – Sphere of Influence (SOI) Amendment Involving the Napa Sanitation District (NSD) and Assessor Parcel Number (APN) 046-450-076, included as Attachment 1, approving the amendment to NSD's SOI; or

   B. Adopt the Resolution of LAFCO of Napa County Making Determinations – SOI Amendment Involving NSD and APN 046-450-076, included as Attachment 2, denying the amendment to NSD's SOI.

BACKGROUND AND SUMMARY

Collective Operations and PEP Housing ("applicant") are co-developers of the Imola Affordable Apartments project and applied to amend NSD's SOI to include one parcel owned by the State of California identified as APN 046-450-076. The application materials are included as Attachment 3 and were submitted consistent with the procedures described in the Commission's *Policy on Spheres of Influence* ("Policy"), included as Attachment 4, and California Government Code (G.C.) Section 56428. Staff also fully complied with all noticing requirements for this public hearing pursuant to G.C. Section 56427.

The affected territory comprises one entire parcel with no situs address totaling approximately 5.2 acres in size and identified as APN 046-450-076. The affected territory is an undeveloped lot with no structures, flat, and covered in native grasses.

Land uses surrounding the affected territory are summarized as follows:

- **North:** Imola Avenue; single-family residences; undeveloped lot
- **East:** Skyline Wilderness Park; a few sheds are located in the park
- **South:** A barn and portions of the park
- **West:** Asphalt paved road; Napa County Office of Education

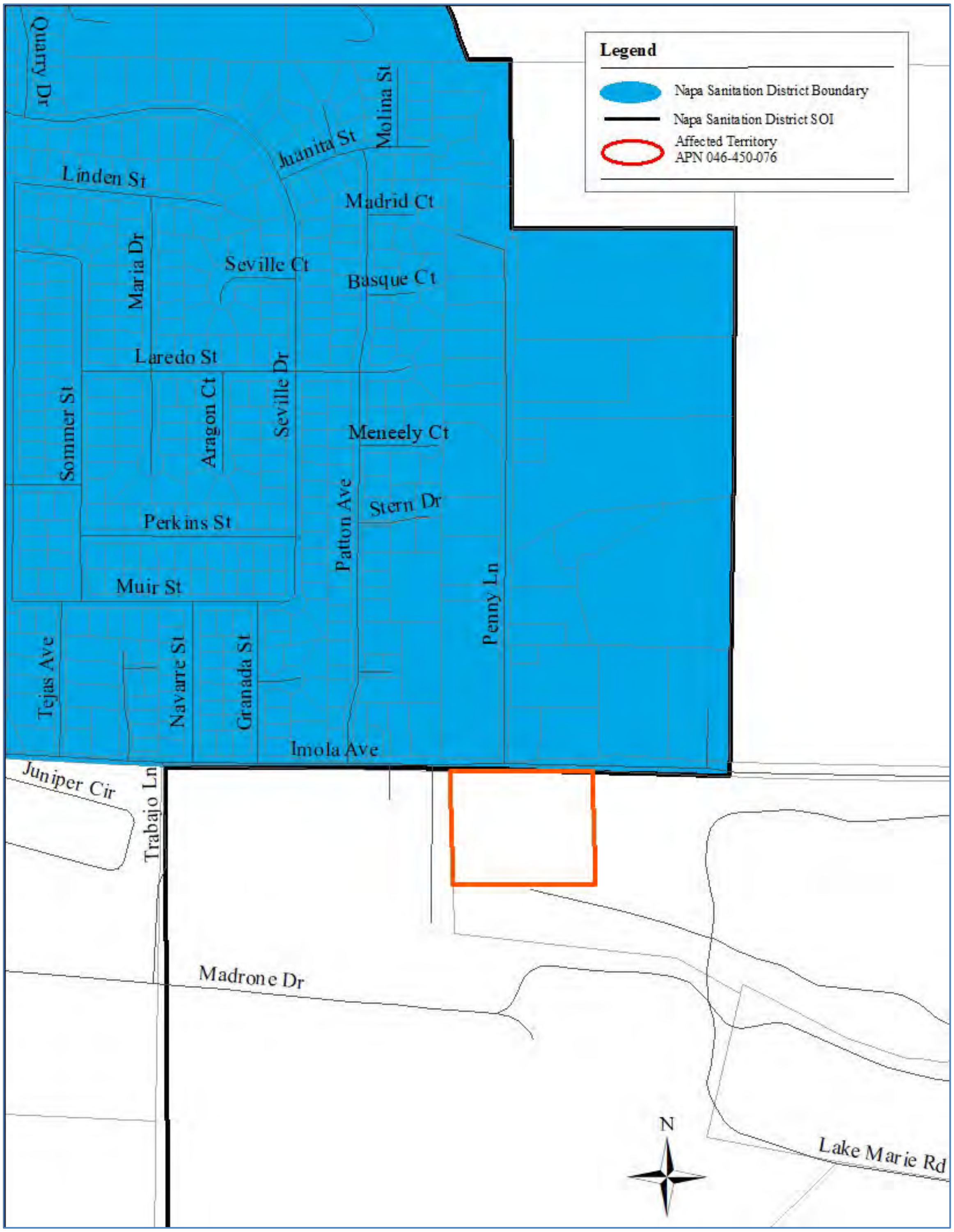
The project involves the development of 185 residential units as part of six three-story buildings and a single-story community building. The site consists of State-owned surplus land located along Imola Avenue southeast of the City of Napa and adjacent to Skyline Wilderness Park in unincorporated Napa County.

The application materials state the proposed SOI amendment would support future extension of urban services necessary to facilitate affordable residential development identified in the Napa County Housing Element. Future development of the site would be subject to applicable environmental review and permitting requirements.

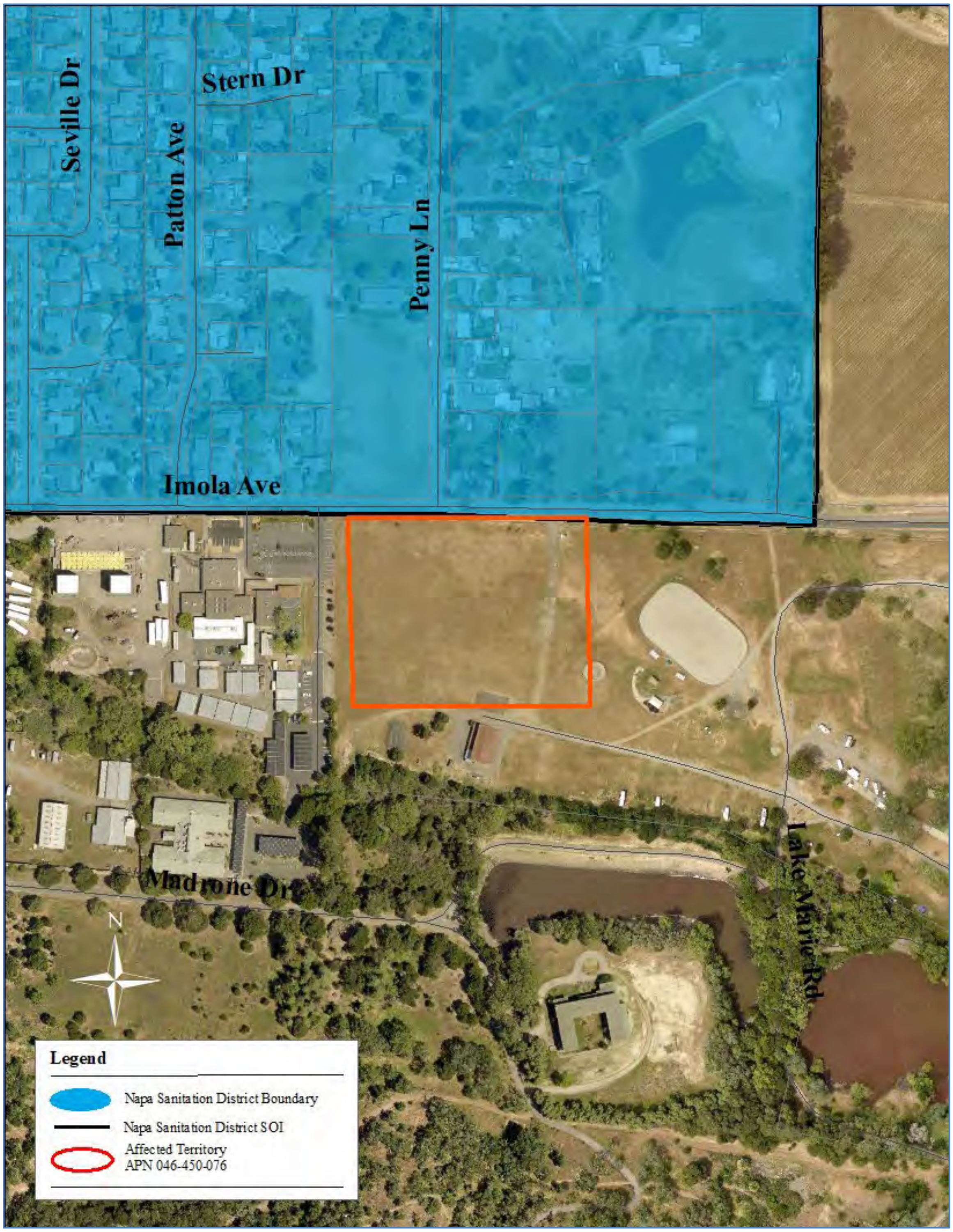
While not required as part of the LAFCO process, the applicant provided a copy of a Phase I Environmental Site Assessment for the affected territory, available online at: https://www.napa.lafco.ca.gov/files/7c8f0933d/7a+Imola+Affordable+Apartments+Phase+I+Environmental+Site+Assessment.pdf

Various maps of the affected territory, affected local agencies, and land use designations follow.

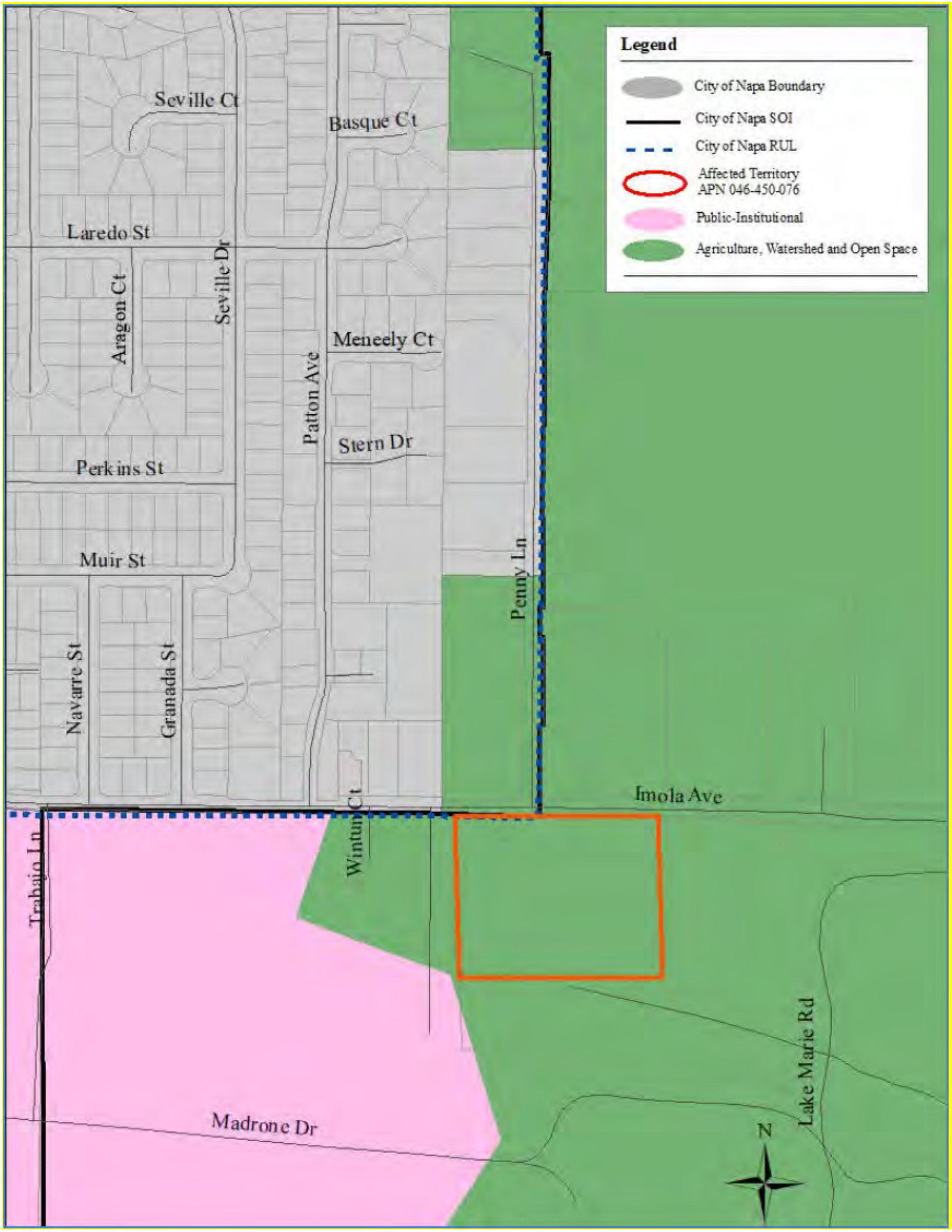
Map showing affected territory, NSD boundary, and NSD SOI:



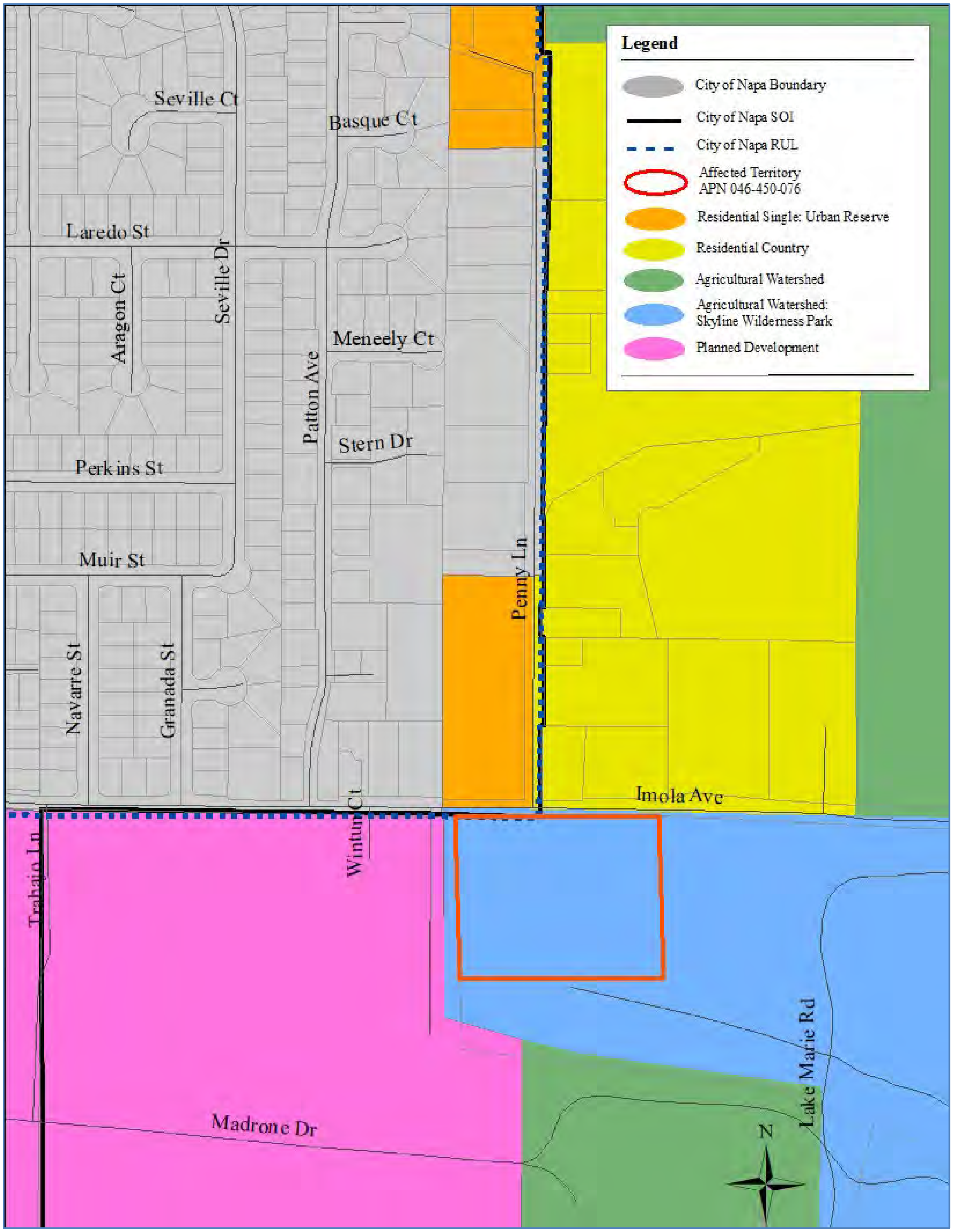
Aerial map showing affected territory, NSD boundary, and NSD SOI:



Map showing affected territory, City of Napa boundary, City of Napa SOI, City of Napa Rural Urban Limit (RUL), and Napa County General Plan land use designations:



Map showing affected territory, City of Napa boundary, City of Napa SOI, City of Napa RUL, and Napa County zoning assignments:



DISCUSSION

The following is a discussion of factors that are relevant to the application.

Mission and Purpose of LAFCO

<u>G.C. Section 56001 states (emphasis added):</u>
The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. ***The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development.*** Therefore, the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.

<u>G.C. Section 56301 states:</u>
Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances…

Statutory Factors

In determining the SOI of each agency, the Commission is required to consider five specific factors pursuant to G.C. Section 56425. The following is a summary of the statutory factors as they relate to the SOI request, which are also included in the draft resolutions.

1) <u>Present and planned land uses in the area, including agricultural and open space lands:</u> The County of Napa General Plan assigns the affected territory a land use designation of *Agriculture, Watershed, and Open Space* and zoning standard of *Agricultural Watershed: Skyline Wilderness Park*. These land use characteristics prescribe a minimum lot size of 160 acres. Furthermore, the *:Skyline Wilderness Park* combination district only allows for agriculture, parks, rural recreation uses and facilities, and campgrounds when located on public lands. The affected territory is undeveloped open space. Inclusion within NSD’s SOI and future annexation could facilitate extension of public sewer service in support of a future affordable housing project.

2) Present and probable need for public facilities and services in the area:
   Public services available to the affected territory include fire protection, law enforcement, flood control, resource conservation, and mosquito abatement. Public sewer service is needed to facilitate a future affordable housing project.

3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:
   Based on the Commission's *Napa Countywide Water and Wastewater Municipal Service Review* updated in 2021, NSD has established adequate capacity to extend public sewer service to the affected territory to facilitate its contemplated development.

4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency:
   There are no social or economic communities of interest in the affected territory.

5) Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence:
   There are no disadvantaged unincorporated communities within NSD's SOI.

Policy Considerations

A summary of relevant local policy considerations follows.

- Section III states: It is the intent of the Commission to determine appropriate SOIs that promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement.
  - Staff response: The SOI amendment would not ensure the protection of the affected territory as vacant open space. The SOI amendment would promote the expansion of NSD's public sewer infrastructure and arguably ensure the effective, efficient, and economic provision of wastewater services to the affected territory in support of future residential development.

- Section V(A)(1) states: Land defined or designated in the County of Napa General Plan land use map as agricultural or open space shall not be approved for inclusion within any local agency's SOI for purposes of new urban development unless the action is consistent with the objectives listed in Section III of this policy.
  - Staff response: The County General Plan land use map designates the affected territory as *Agriculture, Watershed, and Open Space*. The SOI amendment would be inconsistent based on this land use designation.

- Section V(A)(4) states: The Commission will consider the Agricultural Preserve and intent of voters in passing Measure J and Measure P in its decision making processes to the extent they apply, prior to taking formal actions relating to SOIs.
  - Staff response: The affected territory is subject to Measure P, which is relevant to the County's land use designations. Changing the land use designation in the County General Plan from agricultural to non-agricultural requires approval by Napa County voters.

- Section V(A)(9) states: A local agency's SOI should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission. This includes information contained in current municipal service reviews (MSRs). The Commission shall consider the following municipal service criteria in determining SOIs:

  a) The present capacity of public facilities and adequacy of public services provided by affected local agencies within the current jurisdiction, and the adopted plans of these local agencies to address any municipal service deficiency, including adopted capital improvement plans.
     - Staff response: Based on the *Napa Countywide Water and Wastewater Municipal Service Review* updated in 2021, NSD has established adequate capacity to serve their current jurisdiction and accommodate growth within the affected territory.

  b) The present and probable need for public facilities and services within the area proposed or recommended for inclusion within the SOI, and the plans for the delivery of services to the area.
     - Staff response: The affected territory would need public sewer and water services in the future to facilitate residential development.

- Section V(A)(10) states: The Commission shall consider, at a minimum, the following land use criteria in determining SOIs:

  a) The present and planned land uses in the area, including lands designated for agriculture and open space.
     - Staff response: The present land use is open space. Future land use is contemplated to be residential by the State.

  b) The present and probable need for public facilities and services in the area.
     - Staff response: The affected territory would need public sewer and water services in the future to facilitate residential development.

c) The present capacity of public facilities and adequacy of public services that the local agency provides or is authorized to provide.
  - Staff response: NSD has established adequate capacities to provide public sewer service within its existing boundary and can accommodate the contemplated services that would be needed within the affected territory for any residential development that may occur.

d) Consistency with the County General Plan and the general plan of any affected city or town.
  - Staff response: The County General Plan designates the affected territory as *Agriculture, Watershed, and Open Space*, which is inconsistent with the SOI amendment.

e) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the local agency.
  - Staff response: The Skyline Park Citizens Association was established to protect the Skyline Park property from development.

f) Adopted general plan policies of the County and of any affected city or town that guide future development away from lands designated for agriculture or open space.
  - Staff response: The County General Plan includes the following relevant land use policies:
    - Policy AG/LU-126: "…the County will work collaboratively with LAFCO in its reviews of spheres to encourage orderly, city-centered growth and development in Napa County and the preservation of agricultural land."
    - Policy AG/LU-126.5: "The County seeks to engage incorporated jurisdictions in collaborative planning efforts, particularly efforts aimed at ensuring adequate infrastructure capacity, vibrant city-centers, sufficient housing and agricultural lands and natural resource protection."

g) Adopted policies of affected local agencies that promote infill development of existing vacant or underdeveloped land.
  - Staff response: The affected territory is currently vacant but is not considered infill. NSD has not adopted policies that are relevant to promoting infill development of existing vacant land.

h) Amount of existing vacant or underdeveloped land located within any affected local agency's jurisdiction and current SOI.
  - Staff response: Does not appear relevant to NSD's SOI.

i) Adopted urban growth boundaries by the affected land use authorities.
   - Staff response: Does not appear relevant to NSD's SOI. However, the affected territory is located outside the City of Napa's rural urban limit (RUL) and SOI, and therefore it is unlikely the affected territory will be annexed to the City in the foreseeable future.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

If the Commission chooses to amend NSD's SOI to include the affected territory, the action would be exempt from further review under CEQA pursuant to California Code of Regulations Section 15061(b)(3). Notably, the proposed SOI amendment would not cause the direct, or reasonably foreseeable indirect, physical change in the environment and does not have the potential for causing a significant effect on the environment, as no new land use or municipal service authority would be provided. Further, the SOI amendment does not commit any local agency to take any definite course of action or to approve any specific project. Any future annexation of the affected territory would require environmental analysis to be performed by the appropriate lead agency. Denial of an amendment to NSD's SOI requires no CEQA related action by the Commission.

ALTERNATIVES FOR COMMISSION ACTION

The Commission may take any of the following actions as part of this item:

1) Approve the requested amendment to NSD's SOI by adopting the draft resolution included as Attachment 1. Staff recommends this alternative only if the Commission's desire is to emphasize its mission and purpose as described in G.C. section 56001 specifically related to providing housing for persons and families of all incomes as an important factor in promoting orderly development.

2) Deny the requested amendment to NSD's SOI by adopting the draft resolution included as Attachment 2. Staff recommends this alternative based on local policy considerations paired with the Commission's general mission and purpose related to the preservation of agricultural and open space lands.

3) Continue consideration of action to a future Commission meeting and direct staff to return with any desired additional information.

ATTACHMENTS

1) Draft Resolution Approving the Amendment to NSD's SOI
2) Draft Resolution Denying the Amendment to NSD's SOI
3) Application Materials
4) Policy on SOIs

RESOLUTION NO. ____

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

**SPHERE OF INFLUENCE AMENDMENT INVOLVING
THE NAPA SANITATION DISTRICT AND ASSESSOR PARCEL NUMBER 046-450-076**

WHEREAS, a landowner (the "Applicant") seeking a sphere of influence (SOI) amendment involving the Napa Sanitation District ("NSD") and unincorporated Assessor Parcel Number 046-450-076 with no situs address has filed an application (the "Application") 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 Application seeks Commission approval to amend the sphere of influence of the City to include approximately 5.2 acres of territory comprising one entire parcel identified by the County of Napa Assessor's Office as APN 046-450-076; and

WHEREAS, the Executive Officer prepared a written report on the Application in accordance with Government Code Section 56428; and

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

WHEREAS, the Commission heard and fully considered all evidence related to the Application, including oral and written testimony presented at a duly noticed public hearing held on August 3, 2026; and

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

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

1. The Recitals above are true and correct and are fully incorporated herein.

2. The Record of Proceedings ("Record") upon which the Commission bases its decision includes, but is not limited to: (1) the staff reports, Commission files and records and other documents, prepared for and/or submitted to the Commission relating to the Application, including environmental analysis conducted or prepared pursuant to the California Environmental Quality Act ("CEQA"); (2) the evidence, facts, findings and other determinations set forth in this resolution; (3) all applicable General Plan(s), Specific Plan(s), zoning and pre-zoning designation(s), and adopted Commission policies; (4) all plans, studies, data and correspondence

submitted by the Applicant and affected local agencies in connection with the Application; (5) all documentary and oral evidence received at public meetings and hearings or submitted to the Commission during the comment period relating to the Application; (6) all other matters of common knowledge to the Commission including, but not limited to, local, state, and federal laws, policies, rules, regulations, reports, records and projections related to the Application.

The location and custodian of the records is the Napa County Local Agency Formation Commission at 1754 Second Street, Suite C, Napa CA 94559.

3. The SOI of the NSD is hereby amended to include all areas within its current SOI plus the area shown in Exhibit One subject to the conditions outlined herein.

4. The Commission finds that the SOI amendment is consistent with the Commission's *Policy on Spheres of Influence* given it would promote the logical and orderly development of the NSD's jurisdictional boundaries as well as the efficient delivery of governmental services.

5. The Commission finds the SOI amendment is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the SOI amendment would not cause the direct, or reasonably foreseeable indirect, physical change in the environment and does not have the potential for causing a significant effect on the environment, as no new land use or municipal service authority would be provided. This finding is based on its independent judgment and analysis. The Executive Officer is the custodian of the records upon which this determination is based and such records are located at the Commission office located at 1754 Second Street, Suite C, Napa, California 94559.

6. Pursuant to California Government Code Section 56425, the Commission adopts the statement of determinations as set forth in Exhibit Two, attached hereto and incorporated herein by reference.

7. The Commission hereby directs staff to file a Notice of Exemption in compliance with CEQA.

8. The effective date of this SOI amendment shall be the date upon which all of the following conditions have been satisfied:

   a) The Executive Officer is in receipt of all outstanding Commission fees.

9. The Executive Officer shall revise the official records of the Commission to reflect the SOI amendment upon the effective date.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on August 3, 2026, after a motion by Commissioner ____________, seconded by Commissioner _______________, by the following vote:

AYES: Commissioners ____

NOES: Commissioners ____

ABSENT: Commissioners ____

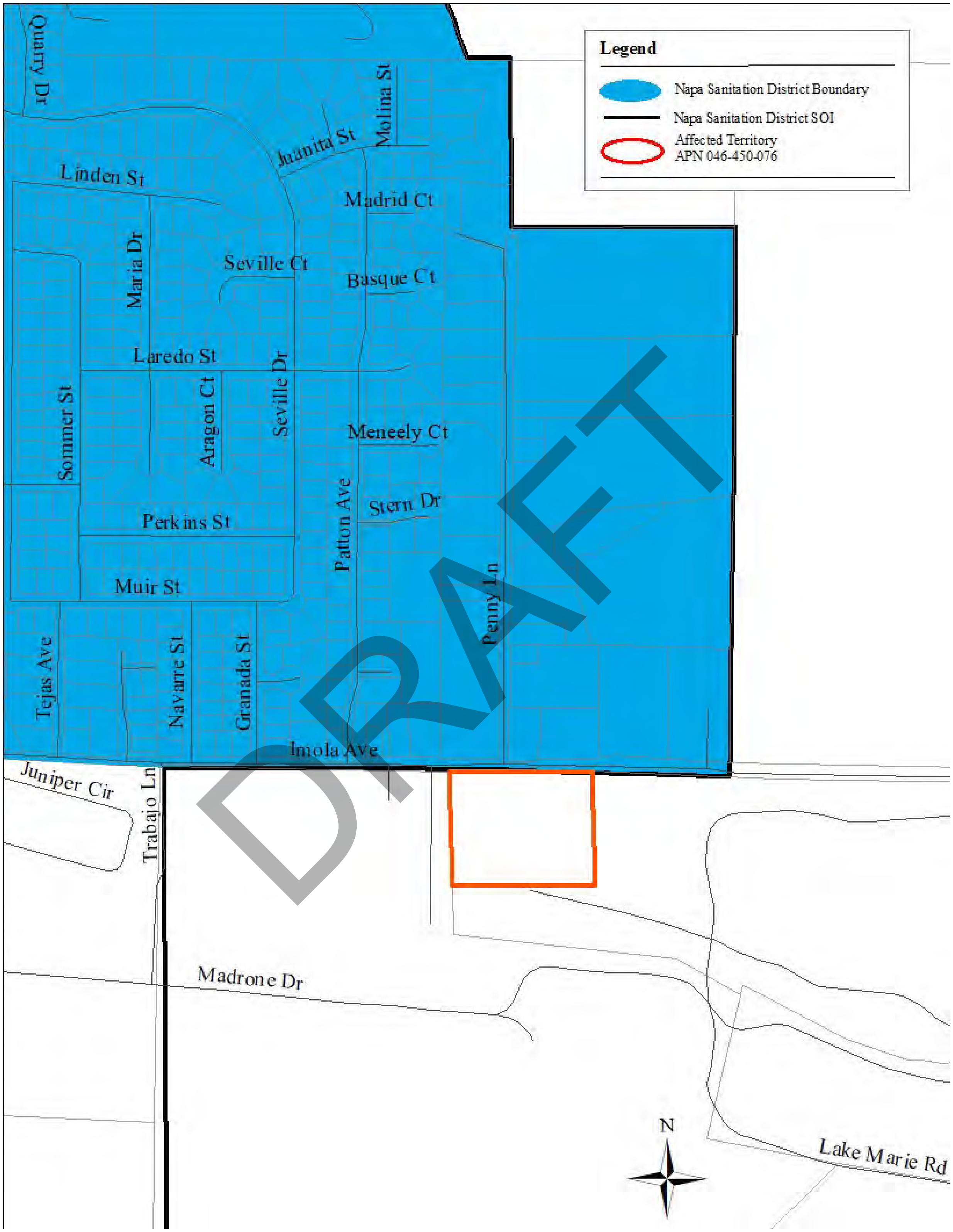
ABSTAIN: Commissioners ____

____
Beth Painter
Commission Chair

ATTEST: ____________________
Brendon Freeman
Executive Officer

Recorded by: Charlie Livingston
Commission Clerk

EXHIBIT ONE



Legend
Napa Sanitation District Boundary
Napa Sanitation District SOI
Affected Territory
APN 046-450-076
Quarry Dr
Molina St
Juanita St
Linden St
Madrid Ct
Maria Dr
Seville Ct
Basque Ct
Laredo St
Sommer St
Aragon Ct
Seville Dr
Meneely Ct
Stern Dr
Patton Ave
Perkins St
Muir St
Penny Ln
Tejas Ave
Navarre St
Granada St
Imola Ave
Juniper Cir
Trabajo Ln
Madrone Dr
N
Lake Marie Rd
DRAFT

EXHIBIT TWO

STATEMENT OF DETERMINATIONS

**SPHERE OF INFLUENCE AMENDMENT INVOLVING
THE NAPA SANITATION DISTRICT AND ASSESSOR PARCEL NUMBER 046-450-076**

1. Present and planned land uses in the sphere, including agricultural and open-space lands (Government Code 56425(e)(1)):

   The County of Napa General Plan assigns the affected territory a land use designation of *Agriculture, Watershed, and Open Space* and zoning standard of *Agricultural Watershed: Skyline Wilderness Park*. These land use characteristics prescribe a minimum lot size of 160 acres. Furthermore, the *:Skyline Wilderness Park* combination district only allows for agriculture, parks, rural recreation uses and facilities, and campgrounds when located on public land. The affected territory is undeveloped open space. Inclusion within NSD's SOI and future annexation could facilitate extension of public sewer service in support of a future affordable housing project.

2. The present and probable need for public facilities and services in the sphere (Government Code 56425(e)(2)):

   Public services available to the affected territory include fire protection, law enforcement, flood control, resource conservation, and mosquito abatement. Public sewer service is needed to facilitate a future affordable housing project.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide (Government Code 56425(e)(3)):

   Based on the Commission's *Napa Countywide Water and Wastewater Municipal Service Review* updated in 2021, NSD has established adequate capacity to extend public sewer service to the affected territory to facilitate its contemplated development.

4. The existence of any social or economic communities of interest in the sphere if the Commission determines that they are relevant to the agency (Government Code 56425(e)(4)):

   There are no social or economic communities of interest in the affected territory.

5. Present and probable need for public services for disadvantaged unincorporated communities (Government Code 56425(e)(5)):

   There are no disadvantaged unincorporated communities within the NSD's SOI.

RESOLUTION NO. ____

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

SPHERE OF INFLUENCE AMENDMENT INVOLVING
THE NAPA SANITATION DISTRICT AND ASSESSOR PARCEL NUMBER 046-450-076

WHEREAS, a landowner (the “Applicant”) seeking a sphere of influence (SOI) amendment involving the Napa Sanitation District (“NSD”) and unincorporated Assessor Parcel Number 046-450-076 with no situs address has filed an application (the “Application”) 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 Application seeks Commission approval to amend the sphere of influence of the NSD to include approximately 5.2 acres of territory comprising one entire parcel identified by the County of Napa Assessor’s Office as APN 046-450-076; and

WHEREAS, the Executive Officer prepared a written report on the Application in accordance with Government Code Section 56428; and

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

WHEREAS, the Commission heard and fully considered all evidence related to the Application, including oral and written testimony presented at a duly noticed public hearing held on August 3, 2026; and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425, as set forth in Exhibit One, attached hereto and incorporated by reference.

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

Section 1. Recitals. The Recitals above are true and correct and are fully incorporated herein.

Section 2. Record. The Record of Proceedings (“Record”) upon which the Commission bases its decision includes, but is not limited to: (1) the staff reports, Commission files and records and other documents, prepared for and/or submitted to the Commission relating to the Application, including environmental analysis conducted or prepared pursuant to the California Environmental Quality Act (“CEQA”); (2) the evidence, facts, findings and other determinations set forth in this resolution; (3) all applicable General Plan(s), Specific Plan(s), zoning and pre-zoning designation(s), and adopted Commission policies; (4) all plans, studies, data and correspondence submitted by the Applicant and affected local agencies in connection with the Application; (5) all documentary and oral evidence received at public meetings and hearings or submitted to the Commission during the comment period relating to the Application; (6) all other matters of common knowledge to the Commission including, but not limited to, local, state, and federal laws, policies, rules, regulations, reports, records and projections related to the Application.

The location and custodian of the records is the Napa County Local Agency Formation Commission at 1754 Second Street, Suite C, Napa CA 94559.

Section 3. Determination. The Application is hereby denied as it is inconsistent with the Commission's Policy on Spheres of Influence Sections III, V(A)(1), V(A)(4), V(A)(10)(a), V(A)(10)(d), V(A)(10)(e), and V(A)(10)(f) as described in the associated staff report.

Section 4. CEQA. Pursuant to Public Resources Code Section 21080(b)(5), CEQA does not apply to projects a public agency rejects or disapproves. The Commission's denial of the Application is therefore not subject to CEQA analysis.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on August 3, 2026, after a motion by Commissioner __________ _, seconded by Commissioner ________________, by the following vote:

AYES: Commissioners ____________________________________

NOES: Commissioners ____________________________________

ABSENT: Commissioners ____________________________________

ABSTAIN: Commissioners ____________________________________

____
Beth Painter
Commission Chair

ATTEST: ____________________
Brendon Freeman
Executive Officer

Recorded by: Charlie Livingston
Commission Clerk

EXHIBIT ONE

STATEMENT OF DETERMINATIONS

**SPHERE OF INFLUENCE AMENDMENT INVOLVING
THE NAPA SANITATION DISTRICT AND ASSESSOR PARCEL NUMBER 046-450-076**

1. Present and planned land uses in the sphere, including agricultural and open-space lands (Government Code 56425(e)(1)):

   The County of Napa General Plan assigns the affected territory a land use designation of *Agriculture, Watershed, and Open Space* and zoning standard of *Agricultural Watershed: Skyline Wilderness Park*. These land use characteristics prescribe a minimum lot size of 160 acres. Furthermore, the *:Skyline Wilderness Park* combination district only allows for agriculture, parks, rural recreation uses and facilities, and campgrounds when located on public land. The affected territory is undeveloped open space. Inclusion within NSD's SOI and future annexation could facilitate extension of public sewer service in support of a future affordable housing project.

2. The present and probable need for public facilities and services in the sphere (Government Code 56425(e)(2)):

   Public services available to the affected territory include fire protection, law enforcement, flood control, resource conservation, and mosquito abatement. Public sewer service is needed to facilitate a future affordable housing project.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide (Government Code 56425(e)(3)):

   Based on the Commission's *Napa Countywide Water and Wastewater Municipal Service Review* updated in 2021, NSD has established adequate capacity to extend public sewer service to the affected territory to facilitate its contemplated development.

4. The existence of any social or economic communities of interest in the sphere if the Commission determines that they are relevant to the agency (Government Code 56425(e)(4)):

   There are no social or economic communities of interest in the affected territory.

5. Present and probable need for public services for disadvantaged unincorporated communities (Government Code 56425(e)(5)):

   There are no disadvantaged unincorporated communities within the NSD's SOI.

QUESTIONNAIRE

The information provided in this application will be used to evaluate this proposal. Please complete this form to facilitate our review. Please respond to all items in this form, indicating "NA" when an item does not apply. It is important to note that while a SOI amendment may be initiated by any person or local agency, ultimately, the affected agency must consent to the change and all parties may be required to provide information, conduct studies, and may be subject to conditions of approval.

Subject Agency(ies) (City or Special District): Napa Sanitation District

Describe Proposed SOI Change(s): Expand the Napa Sanitation District Sphere of Influence to include APN 046-450-076, located in unincorporated Napa County.

Applicant/ Agents

	Name	Email	Telephone	Mailing
1.	Weijia Song	wsong@co-operations.org	(628)294-4262	2106 Union St San Francisco, CA 94123
2.	Jim Wallen	jimw@pephousing.org	(707)981-6386	625, Acacia Lane Santa Rosa, CA 95409
3.				
4.				
5.				

Interested Parties

	Name	Email	Telephone	Mailing
1.				
2.				
3.				
4.				

A. General Information

1. This application was initiated by:

PEP Housing

2. State reason(s) for requesting the proposed action **at this time.**

The proposed SOI expansion would support development of the proposed affordable housing project and associated infrastructure and utility improvements.

3. Describe the use of developed property within the proposal territory, including details about existing structures, if applicable. Describe anticipated development of vacant property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur, if applicable.

The property is currently vacant with no existing structures or active uses. Proposed development includes six 3-story residential buildings and a single-story community building. There are existing underground services located on the site that serve the County operated maintenance barn to the South of the site. Construction is anticipated to begin in late 2027.

4. State the location of the property and its general location in relation to communities, freeways/highways, roads, etc.:

The property is located along Imola Avenue in unincorporated Napa County, adjacent to the Napa County Office of Education and across from existing residential properties. There is a maintenance barn to the South of the site.

5. Describe the present and planned uses in the area, including agricultural and open space lands.

The property is currently vacant with no active use. The proposed use is residential and consistent with the applicable Napa County General Plan land use designation and the Napa County Housing Element 2023-2031 (Sixth Cycle) that identified the site for affordable housing on it's housing sites inventory list and is included in the County's RHNA goals.

6. Describe the present and probable need for public facilities and services in the area.

Development of the site for residential uses will require extensions and/or connections to sewer infrastructure, as well as ongoing utility and public service capacity to support future residents.

7. Describe the present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

Existing sewer infrastructure is located adjacent to the site along Imola Avenue,. The development team has confirmed sewer service feasibility with the Napa Sanitation District and has been coordinating on issues regarding service capacity and connections.

8. Describe the existence of any social or economic communities of interest in the area that the Commission may determine are relevant to the agency.

The proposed development will serve low, very low and extremely low-income households and address identified affordable housing needs within Napa County.

B. Land Use Information

1. Total acreage: 5.22
2. Assessor Parcel Number(s): 046-450-076
   a. If multiple parcels are involved in the sphere request, will any be consolidated?
3. Indicate the current zoning:
   a. County: AW:SWP
   b. City:
4. What community plan or General Plan is the territory in:

   Napa County General Plan

5. The County/City General Plan land use designation:

   State-owned surplus land designated Agriculture, Watershed, and Open Space (AWOS

6. Describe any special land use concerns found in General Plans:

The site is State-owned surplus land and identified within the Napa County General Plan and Napa County Housing Element 2023-2031 for future residential development.

7. What is the proposed land use?

Affordable multifamily residential

8. Has the affected territory been prezoned? ☑ No ☐ Yes

If yes, what is the prezoning use and densities (if applicable) permitted?

N/A

9. Indicate below all permits or approvals that will be needed, or have been granted by, the County or any city or town to complete the project.

Type of Approval	File No.	Approval Date	Resolution attached?
Tentative Parcel Map			☐ No / ☐ Yes / ■ N/A
Use Permit			☐ No / ☐ Yes / ■ N/A
City/Town/County General Plan Amendment			☐ No / ☐ Yes / ■ N/A
City/Town Prezoning			☐ No / ☐ Yes / ■ N/A
County Rezone			☐ No / ☐ Yes / ■ N/A
Other			☐ No / ☐ Yes / ■ N/A

10. Have any of the above-mentioned approvals been appealed? ■ No ☐ Yes

If yes, please state when the project was appealed, who appealed it, and when it was or will be reconsidered.

11. Is the affected territory subject to a Williamson Act Contract or Farmland Security Zone Contract?

☑ No ☐ Yes

If yes, please attach the following (if applicable)

- Copy of contract
- Board of Supervisor's resolution upholding contract
- City resolution protesting contract
- City resolution succeeding to contract

12. How will the proposal assist a city, town, or the County to achieve its fair share of regional housing needs as determined by its current General Plan Housing Element, and are any RHNA transfer agreements applicable?

> The proposal would facilitate development of affordable multifamily housing on a State-owned surplus site identified in the Napa County Housing Element as a future housing opportunity site supporting the County's RHNA obligations. No RHNA transfer agreements are applicable.

C. Environmental Information

1. Has an environmental determination (Notice of Exemption, Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report) been adopted and/or certified by a legislative body?

   ☐ No ■ Yes (If yes, please attach a copy)

   a. Is the certified environmental documentation currently being challenged? ■ No ☐ Yes

2. Is the site presently zoned for or engaged in agricultural use?

   If yes, please explain:

> The site is currently designated Agriculture, Watershed, and Open Space (AWOS) and zoned AW:SWP; however, the property is State-owned surplus land and is not actively used for agricultural operations.

3. Does the site contain prime agricultural land as defined in Gov. Code §56064? ■ No ☐ Yes

4. Will extension of services requested for this proposal induce growth on affected property? ☐ No ■ Yes

   a. On adjacent properties? ● No ☐ Yes

   b. Unincorporated? ● No ☐ Yes

   c. Vacant? ● No ☐ Yes

5. Please provide a detailed description of the environmental setting of the site, including any information related to potential environmental impacts associated with an SOI amendment:

> The site consists of State-owned surplus land located along Imola Avenue adjacent to Skyline Wilderness Park in unincorporated Napa County. The property is currently undeveloped and bordered by existing transportation and utility infrastructure. The proposed SOI amendment would support future extension of urban services necessary to facilitate affordable residential development identified in the Napa County Housing Element. Future development of the site would be subject to applicable environmental review and permitting requirements.

6. Terrain:

   - ☑ Level to gently rolling (0-10%)
   - ☐ Slopes (10-30%)
   - ☐ Steep slopes (over 30%)

7. Hydrology:

   ☐ Streams, lakes, or marshes on site? ■No ☐Yes

   If yes, please explain:

   ☐ Is there irrigation on site? ■No ☐Yes

   ☐ Is the site within a GSA managed subbasin? ●No ☐Yes

8. Has the natural vegetation already been removed or altered? ▣No ☐Yes
9. Are there any endangered plant species on site? ●No ☐Yes
10. Have any endangered or threatened species been identified? ▣No ☐Yes

    If yes, please explain:

I hereby certify that the statements made in this entire Sphere of Influence Amendment Application are to the best of my knowledge accurate.

Everritt Phillips	July 10, 2026
PRINT name of person completing this application	Date
Everritt Phillips Digitally signed by Everritt Phillips Date: 2026.07.10 10:06:41 -07'00'	ephillips@co-operations.org
Signature	email
2106 Union St, San Francisco, CA 94123	(415)466-5516
Address	Phone Number

NAPA LAFCO POLICY ON SPHERES OF INFLUENCE

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, beginning with California Government Code (G.C.) §56425, requires the Local Agency Formation Commission (LAFCO or "Commission") to establish and maintain spheres of influence for all local agencies within its jurisdiction. A sphere of influence (SOI) is defined by statute as a "plan for the probable physical boundary and service area of a local government agency as determined by the commission" (G.C. §56076). Every determination made by LAFCO shall be consistent with the SOIs of the local agencies affected by that determination (G.C. §56375.5). The Commission encourages cities, towns, and the County of Napa ("County") to meet and agree to SOI changes. The Commission shall give "great weight" to these agreements to the extent they are consistent with its policies (G.C. §56425(b) and (c)). Local agency SOIs are established and changed in part based on information in municipal service reviews, including adopted determinative statements and recommendations (G.C. §56430).

II. Purpose

The purpose of these policies is to guide the Commission in its consideration of SOI amendment requests as well as SOI reviews and updates initiated by LAFCO. This includes establishing consistency with respect to the Commission's approach in the scheduling, preparation, and adoption of SOI reviews and updates. Requests to amend an SOI may be made by any person or local agency as described in Section VI of this policy. Requests to amend an SOI are encouraged to be filed with LAFCO's Executive Officer as part of the Commission's municipal service review (MSR) and SOI review process.

III. Objective

It is the intent of the Commission to determine appropriate SOIs that promote the orderly expansion of cities, towns, and special districts in a manner that ensures the protection of the environment and agricultural and open space lands while also ensuring the effective, efficient, and economic provision of essential public services, including public water, wastewater, fire protection and emergency response, and law enforcement. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies. An SOI is primarily a planning tool that will:

- Serve as a master plan for the future organization of local government within the County by providing long range guidelines for the efficient provision of services to the public;
- Discourage duplication of services by two or more local governmental agencies;
- Guide the Commission when considering individual proposals for changes of organization;
- Identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations.

IV. Definitions

Recognizing that an SOI is a plan for the probable physical boundary and service area of a local government agency as determined by LAFCO, the Commission incorporates the following definitions:

A. “Agricultural lands” are defined as set forth in G.C. §56016.

B. “Open space” are defined as set forth in G.C. §56059.

C. “Prime agricultural land” is defined as set forth in G.C. §56064.

D. “Infill” is defined as set forth in Public Resources Code §21061.3.

E. “Underdeveloped land” is defined as land that lacks components of urban development such as utilities or structure(s).

F. “Vacant land” is defined as land that has no structure(s) on it and is not being used. Agricultural and open space uses are considered a land use and therefore the underlying land is not considered vacant land.

G. “SOI establishment” refers to the initial adoption of a city or special district SOI by the Commission.

H. “SOI amendment” refers to a single change to an established SOI, typically involving one specific geographic area and initiated by a landowner, resident, or local agency.

I. “SOI review” refers to a comprehensive review of an established SOI conducted as part of an MSR. Based on information collected in the SOI review component of an MSR, the Commission shall determine if an SOI update is needed.

J. “SOI update” refers to a single change or multiple changes to an established SOI, typically initiated by the Commission and based on information collected in the SOI review.

K. “Zero SOI” when determined by the Commission, indicates a local agency should be dissolved and its service area and service responsibilities assigned to one or more other local agencies.

L. “Study area” refers to territory evaluated as part of an SOI update for possible addition to, or removal from, an established SOI. The study areas shall be identified by the Commission in consultation with all affected agencies.

V. Local Considerations

A. General Guidelines for Determining Spheres of Influence

The following factors are intended to provide a framework for the Commission to balance competing interests in making determinations related to SOIs. No single factor is determinative. The Commission retains discretion to exercise its independent judgment as appropriate:

1) Land defined or designated in the County of Napa General Plan land use map as agricultural or open space shall not be approved for inclusion within any local agency’s SOI for purposes of new urban development unless the action is consistent with the objectives listed in Section III of this policy.

2) Land that is within the Napa County Airport Land Use Commission (ALUC) Planning Area shall not be approved for inclusion within any local agency’s SOI prior to LAFCO conferring with the ALUC.

3) The Commission encourages residents, landowners, and local agencies to submit requests for changes to SOIs to the LAFCO Executive Officer as part of the LAFCO-initiated MSR and SOI review process.

4) The first Agricultural Preserve in the United States was created in 1968 by the Napa County Board of Supervisors. The Agricultural Preserve protects lands in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use. Measure J was passed by voters in 1990 and Measure P was passed by voters in 2008 and requires voter approval for any changes that would re-designate unincorporated agricultural and open-space lands. The Commission will consider the Agricultural Preserve and intent of voters in passing Measure J and Measure P in its decision making processes to the extent they apply, prior to taking formal actions relating to SOIs.

5) In the course of an SOI review for any local agency as part of an MSR, the Commission shall identify all existing outside services provided by the affected agency. For any services provided outside the affected agency's jurisdictional boundary but within its SOI, the Commission shall request the affected agency submit an annexation plan or explanation for not annexing the territory that is receiving outside services. For any services provided outside an agency's jurisdictional boundary and SOI, the Commission encourages a dialogue between the County and the affected agency relating to mutually beneficial provisions.

6) In the course of reviewing a city or town's SOI, the Commission will consider the amount of vacant land within the affected city or town's SOI. The Commission discourages SOI amendment requests involving vacant or underdeveloped land that requires the extension of urban facilities, utilities, and services where infill development is more appropriate.

7) A local agency's SOI shall generally be used to guide annexations within a five-year planning period. Inclusion of land within an SOI shall not be construed to indicate automatic approval of an annexation proposal.

8) When an annexation is proposed outside a local agency's SOI, the Commission may consider both the proposed annexation and SOI amendment at the same meeting. The SOI amendment to include the affected territory, however, shall be considered and resolved prior to Commission action on the annexation.

9) A local agency's SOI should reflect existing and planned service capacities based on information collected by, or submitted to, the Commission. This includes information contained in current MSRs. The Commission shall consider the following municipal service criteria in determining SOIs:

a) The present capacity of public facilities and adequacy of public services provided by affected local agencies within the current jurisdiction, and the adopted plans of these local agencies to address any municipal service deficiency, including adopted capital improvement plans.

b) The present and probable need for public facilities and services within the area proposed or recommended for inclusion within the SOI, and the plans for the delivery of services to the area.

10) The Commission shall consider, at a minimum, the following land use criteria in determining SOIs:

a) The present and planned land uses in the area, including lands designated for agriculture and open-space.

b) The present and probable need for public facilities and services in the area.

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

d) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the local agency.

e) Consistency with the County General Plan and the general plan of any affected city or town.

f) Adopted general plan policies of the County and of any affected city or town that guide future development away from lands designated for agriculture or open-space.

g) Adopted policies of affected local agencies that promote infill development of existing vacant or underdeveloped land.

h) Amount of existing vacant or underdeveloped land located within any affected local agency's jurisdiction and current SOI.

i) Adopted urban growth boundaries by the affected local agency.

B. Scheduling Sphere of Influence Reviews and Updates

G.C. §56425(g) directs the Commission to review and update each SOI every five years, as necessary. Each year, the Commission shall adopt a Work Program with a schedule for initiating and completing MSRs and SOI reviews based on communication with local agencies. This includes appropriate timing with consideration of city, town, and County general plan updates. The Commission shall schedule SOI updates, as necessary, based on determinations contained in MSRs.

C. Environmental Review

SOI establishments, amendments, and updates will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the Napa LAFCO CEQA Guidelines. If an environmental assessment or analysis is prepared by an agency for a project associated with an SOI establishment, amendment, or update, and LAFCO is afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then LAFCO can act as a Responsible Agency under CEQA for its environmental review process. All adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Wildlife fee receipt must be submitted as part of the application. Completion of the CEQA review process will be required prior to action by the Commission.

VI. Requests for Sphere of Influence Amendments

A. Form of Request

Any person or local agency may file a written request with the Executive Officer requesting amendments to an SOI pursuant to G.C. §56428(a). Requests shall be made using the form provided in this packet. Requests shall include an initial deposit as prescribed under the Commission’s adopted Schedule of Fees and Deposits. The Executive Officer may require additional data and information to be included with the request. Requests by cities, towns, and special districts shall be made by resolution of application.

B. Review of Request

The Executive Officer shall review and determine within 30 days of receipt whether the request to amend an agency’s SOI is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

C. Consideration of Request

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next meeting of the Commission for which adequate notice can be given. The Commission may approve, approve with conditions, or deny the request for an SOI amendment. The Commission’s determination and any required findings will be set out in a resolution that specifies the area added to, or removed from, the affected agency’s SOI. While the Commission encourages the participation and cooperation of the subject agencies, the determination of an SOI is a LAFCO responsibility and the Commission is the sole authority as to the sufficiency of the documentation and consistency with law and LAFCO policy.

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 (Discussion)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: August 3, 2026

SUBJECT: Draft Municipal Service Review for the City of St. Helena

RECOMMENDATION

It is recommended the Commission discuss the attached draft Municipal Service Review (MSR) for the City of St. Helena, included as Attachment 1, and provide direction for possible further development of the draft report prior to public hearing and action on a final report at a future meeting. No formal action will be taken as part of this item.

BACKGROUND AND SUMMARY

A draft report representing the scheduled MSR for the City of St. Helena is included as Attachment 1. The draft report follows the Commission's last MSR for the City, completed in 2008, and was prepared consistent with the Commission's *Policy on Municipal Service Reviews and Special Reports,* included as Attachment 2.

A consultant, RSG, prepared an earlier administrative draft report. The Commission's contract with RSG subsequently expired, and staff assumed full control of this project. City staff were given an opportunity to review and comment on the administrative draft report and they provided two separate comment letters after the stated deadline provided by LAFCO staff. The City's comment letters are included together as Attachment 3. The letters have been reviewed by staff and some are substantially similar to earlier comments and requests submitted by the City that prompted rigorous Commission discussion at its February 2, 2026 meeting and resulted in a denial of the City's requests for additional work. Due to the missed deadline for comments on the administrative draft report, the City's comment letters will be considered public comments on the draft report and shall be incorporated into, and addressed as appropriate, as part of a final report to be presented at a future Commission meeting for adoption.

The report provides a review of the City's existing boundaries, organizational structure, municipal service provision, and financial standing. The report concludes the City maintains a generally stable fiscal position supported by a diversified revenue base and appears capable of maintaining existing municipal services at adequate levels in the near term. However, the City's long-range financial forecast anticipates operating deficits that may require continued use of reserves and implementation of corrective fiscal strategies.

Commissioners are invited to provide feedback to staff on the scope, contents, and format of the draft report, as well as any feedback on desired responses to the City's comment letters and associated revisions to the report. Unless otherwise directed, following today's meeting staff will circulate a notice inviting the public to review and comment on the draft report. Staff will incorporate all public comments and associated revisions, as appropriate, as part of a final report that will be presented to the Commission as early as its next regular meeting scheduled for October 5, 2026.

ATTACHMENTS

1) Draft City of St. Helena MSR
2) Policy on MSRs and Special Reports
3) Comment Letters on from the City of St. Helena

City of St. Helena Municipal Service Review

Napa LAFCO
Draft – August 3, 2026

BETTER COMMUNITIES.
BOLDER FUTURES.

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ACRONYMS USED IN THIS MSR

This municipal service review uses several common acronyms familiar to readers who have knowledge of local government. These acronyms used in this document include the following:

ADWF	Average Dry-Weather Flows
AMR	American Medical Response
APR	Annual Progress Report
BOS	Board of Supervisors
CalPERS	California Public Employee Retirement System
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
GASB	Government Accounting Standards Board
GPM	Gallons per Minute
HCD	California Department of Housing and Community Development
HHS	Department of Health and Human Services
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review
PG&E	Pacific Gas and Electric Company
PVC	Polyvinyl Chloride
RSG	RSG, Inc.
SCO	State Controller's Office
SECAP	System Evaluation and Capacity Assurance Plan
SOI	Sphere of Influence

EXECUTIVE SUMMARY

The Napa County Local Agency Formation Commission ("Napa LAFCO" or "Commission") retained RSG, Inc. ("RSG") to prepare this Municipal Service Review ("MSR") and Sphere of Influence ("SOI") update for the City of St. Helena in Napa County.

PURPOSE OF THIS MSR

The scope of this MSR is established by statute and Commission policy. Specifically, this MSR evaluates the current and future relationship between availability, demand, and adequacy of the municipal services within the City's service area and SOI. To the extent feasible, Napa LAFCO will revisit the MSR and key findings on a regular five-year basis consistent with the timetable set by the Legislature and further memorialized under adopted Napa LAFCO policy.

The MSR's underlying purpose is to produce an independent assessment of the municipal services provided by the City of St. Helena historically and over the next few years, consistent with the Commission's regional growth management duties and interests. The Commission will use the information collected as part of the report in (a) guiding sphere of influence updates, (b) informing of potential boundary changes and out-of-agency services, and if merited, (c) initiating government reorganization, such as special district formations, consolidations, and/or dissolutions.

SUMMARY OF DETERMINATIONS

Napa LAFCO's pertinent determinations, as required by Government Code Sections 56425 and 56430, for the City of St. Helena can be found at the end of the agency's profile.

A summary of key determinations follows:

- St. Helena has experienced a recent period of population decline since 2010 which has led to less demand on services and likely assisted the City manage increasing service costs and demands on older infrastructure.
- Water and Wastewater systems operated by the City are relatively small and face financial and capital investment pressures. LAFCO should consider continued exploration of other service delivery models to assist the City and the region, as outlined in 2020 Water and Wastewater Services MSR.
- The City has successfully transitioned to a career firefighter model which has stabilized staffing of the St. Helena Fire Department, although this has resulted in increasing operational costs, and to a lesser extent, increased pension obligations.
- Pension obligations are relatively satisfactorily funded for public safety, but other personnel pension obligations are underfunded and addressing the shortfall is anticipated to cause the City to use reserves to fund annual costs.

BACKGROUND

State law requires local agency formation commissions throughout California complete municipal service reviews regularly. This section describes the requirements of these MSRs, as well as relevant information about Napa LAFCO, which conducts service reviews of cities and special districts within Napa County.

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., ("CKH") requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and preserve agricultural land. LAFCOs act as the county-wide oversight agency responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as a municipal service review ("MSR") and sphere of influence ("SOI") update.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence ("SOI") for local government agencies. A SOI is defined as "a plan for probable physical boundaries and service area of a local agency, as determined by the Commission." Consistent with Commission SOI policies, an SOI can be (a) coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, (b) extended beyond the agency boundaries in anticipation of future growth, (c) be smaller, indicating the need to detach areas from the agency boundaries, or (d) be designated a "zero sphere", which indicates a potential dissolution of the agency. To amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in a SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, a SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. Present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of a SOI is to ensure efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs consider the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure that the most efficient urban service arrangements are created to benefit area residents and property owners.

Disadvantaged Incorporated Communities

As part of the MSR, RSG considered the impact of the SOI relative to Disadvantaged Unincorporated Communities ("DUC"). A DUC is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a "disadvantaged community." A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income that is less than 80 percent of the statewide median household income. Government Code Section 56046 defines "inhabited" as territory with 12 or more registered voters.

Napa LAFCO adopted a policy on DUCs in 2018. The policy establishes that identifying and engaging with DUCs is an essential component of the State's environmental justice framework and acknowledges that the Cortese-Knox-Hertzberg Act requires LAFCOs to identify the location and characteristics of DUCs in the County. The Commission's policy defines a DUC as territory that:

1. Is substantially developed with primarily residential uses, as defined in Government Code Section 56375.3(b)(4);
2. Does not have reliable public water, sewer, or structural fire protection service available;
3. Meets the definition of inhabited territory pursuant to Government Code Section 56046, meaning that it has at least 12 registered voters; and

4. Has a median household income level of less than 80 percent of the statewide median household income based on available data provided by the American Community Survey.

Based on RSG's analysis of ACS 2018–2022 five-year estimates and LAFCO policy, no disadvantaged unincorporated communities have been identified within or contiguous to the City of St. Helena's SOI. Surrounding unincorporated lands consist primarily of Agricultural Preserve areas with dispersed, low-density development and do not form qualifying communities for DUC consideration.

MUNICIPAL SERVICE REVIEW REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary; the vehicle for doing this is known as a Municipal Service Review ("MSR"). Prior to or in conjunction with SOI reviews, a MSR must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).
3. Present and planned capacity of public facilities, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including government structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCO policy.

The focus of this MSR is to describe how local governmental services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes, such as sphere changes, as well as consolidation or dissolution of service providers to provide the best service possible to the population.

NAPA LAFCO

Napa Local Agency Formation Commission ("Napa LAFCO" or "Commission") is the independent countywide agency responsible for overseeing changes in local government organization, boundary modifications, and municipal service planning in Napa County under the Cortese-Knox-Hertzberg Act. Napa LAFCO is comprised of five regular members and three alternate members, representing cities, the county, and the general public. Regular terms are four years in length and begin on the first Monday in May, with members appointed by the County of Napa Board of Supervisors, the City Selection Committee, and LAFCO members for public seats.

Napa LAFCO holds its regular Commission meetings on the first Monday of even-numbered months (February, April, June, August, October, and December) with sessions beginning at 2:00 PM. Meetings are conducted in the Napa County Board of Supervisors Chambers, 1195 Third Street, 3rd Floor, Napa, California, and agendas, staff reports, and meeting materials are posted in advance on the Commission's website for public access.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

A sphere of influence ("SOI") may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH and, in some cases, further refined by the Commission's own guidelines. Pursuant to Government Code Section 56430, the Commission must first conduct a municipal service review prior to updating or amending a SOI.

From time-to-time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a Commission's own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal service review prior to updating or amending a SOI.

The Commission adopted a "Policy on Spheres of Influence" on June 7, 2021 and most recently amended on February 2, 2026, which provides a timeline and framework for SOI updates and the completion of MSRs. In updating spheres of influence, the Commission's general policies are as follows:

- The Commission will review all spheres of influence at least once every five years for governmental agencies providing municipal services, consistent with Government Code Section 56425(g).
- Spheres of influence should reflect existing and planned service capacities of affected agencies, including the adequacy of public facilities and services and adopted plans to address service deficiencies.
- In reviewing spheres of influence, the Commission considers land use factors such as consistency with the Napa County General Plan and the general plans of affected cities and towns, the amount of vacant or underdeveloped land within existing SOIs, and policies that promote infill development and protect agricultural and open-space lands.

METHODOLOGY

RSG worked with Napa LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City and District profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

City staff were initially cooperative and responsive to RSG's information requests and demonstrated a willingness to collaborate during the early stages of the MSR process. However, as the process progressed, responsiveness declined, which resulted in delays and limited access to certain requested materials. These challenges appear to be attributable in part to structural constraints within the organization, including reliance on part-time or contract personnel and limited institutional continuity.

Despite follow-up efforts, some documentation related to the Sewer District's operations and governance structure was not made available prior to completion of this report. As a result, RSG's evaluation of the Sewer District function is based on the information that was obtainable at the time of analysis.

DATA COLLECTION

To fully understand key factors and current issues involving St. Helena, RSG conducted an initial working session with Napa LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities.

The MSR began with a complete and thorough review of available data and documents, including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, management plans, and fee schedules. These documents were assessed to develop a comprehensive overview of each cemetery district. In addition, various reports and documents were utilized from the California State Controller's Office, the Census Bureau, Napa LAFCO, and ESRI Business Analyst.

RSG reviewed the City of St. Helena annual audited financial statements for Fiscal Years ("FY") 2020 through 2024 (where available) to evaluate historical operating revenues and expenditures. RSG analyzed this data to assess the fiscal health of the City, including revenue and expenditure trends. Supplemental information reviewed included fee schedules, CalPERS actuarial reports, and property tax revenue data.

INTERVIEWS

In coordination with Napa LAFCO in August 2025, RSG met virtually with executive leadership, This interview allowed RSG to gain insight into the agencies' current operations and any unique challenges.

The content of the interview included the following topics:

- Financing constraints and opportunities
- Growth and population projections
- Infrastructure needs or deficiencies
- Cost avoidance opportunities
- Opportunities for rate restructuring regarding services provided
- Opportunities for shared facilities with other cities or agencies
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers
- Evaluation of management efficiencies
- Local accountability and governance, specifically the structures in place to support public engagement and participation

ADMINISTRATIVE AND AGENCY REVIEW

Using the data and information collected from publicly available sources and interviews with City staff, RSG developed this MSR consistent with statute and Napa LAFCO policy. This involves dissemination of an administrative draft MSR to City staff for review and comment prior to completion of a public draft MSR that will be made available for public review. LAFCO staff will review and address any comments received on the draft MSR and incorporate any final comments or corrections into a final MSR to be adopted by the Commission at a future meeting.

AGENCY INFORMATION

St. Helena is among the less populated areas of the County, yet accounts for a relatively high percentage of business activity.

One of five incorporated cities in Napa County, St. Helena has a population of approximately 5,160 residents (or 3.7 percent of the County total), according to the State Department of Finance January 2025 population estimates as revised May 1, 2025. The City's population is roughly the same as Calistoga (5,349 residents) to the north, and larger than that County's smallest city (Town of Yountville, population 2,638), to the south. Napa County itself has a population of 136,124 residents, 22,845 live in unincorporated areas and the balance in one of the five cities, with most residents living in the southernmost incorporated cities of Napa and American Canyon.

St. Helena has long served as the commercial and cultural center of the Valley's northern communities. According to the commercial real estate service Costar, St. Helena has approximately 1.7 million square feet of commercial real estate (5.5 percent of the total 30.5 million square feet reportedly in Napa County), including industrial, retail, and office uses, which is more than double the total of Calistoga and Yountville combined.

According to the US Census Bureau's American Community Survey 5-Year Estimates as of 2023, the local civilian workforce is 2,849 persons (3.9 percent of the County total), of which 4.4 percent were unemployed, which is slightly higher than the reported unemployment rate of the County of approximately 3.7 percent. The California Employment Development Department reports that as of 2026, three St. Helena businesses are among the major employers in the County: Adventist Health St Helena (hospital) and two wineries (Sutter Home Winery and Trinchero Family Estates).

JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE

The City's corporate boundary encompasses approximately 4.9 square miles along State Route 29 in northern Napa Valley. Surrounding unincorporated areas are primarily designated for agriculture and open space under Napa County's General Plan and Agricultural Preserve. These Agricultural Preserve parcels on the periphery limit opportunity for SOI expansion.

The City's Sphere of Influence is coterminous with the 4.9 square mile incorporated area of the City. However, the SOI excludes an approximately 95-acre detached incorporated area that includes a portion of the City's Bell Canyon Reservoir located outside the main City limits.

Figure 1 shows the City's jurisdictional boundary and SOI as of June 2025. The Commission last adopted a comprehensive SOI update for the City in 2008. A map dated August 14, 2013, prepared by LAFCO staff, provides the current depiction of the City's boundary and SOI. In 2017, Napa LAFCO initiated a new MSR and SOI review for St. Helena, but the process was indefinitely delayed at the City's request. No subsequent amendments have been adopted.

Figure 1: City of St. Helena Boundary with Sphere of Influence

DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN SOI

RSG confirmed that based on Napa LAFCO's adopted policies and review of American Community Survey 2018–2022 five-year estimates, no Disadvantaged Unincorporated Communities ("DUCs") have been identified within or contiguous to the City's Sphere of Influence.

St. Helena's Sphere of Influence is generally coterminous with the City limits, with the exception of the Bell Reservoir area, which contains no residential uses. As such, there are no populated unincorporated communities within the current SOI and, therefore, no disadvantaged unincorporated communities.

Surrounding unincorporated lands are primarily designated as Agricultural Preserve and do not meet statutory income thresholds for DUC designation.

CITY'S INTEREST IN FUTURE SOI EXPANSION AND ANNEXATION

As part of the process to prepare this MSR, RSG met with City staff on November 5, 2025, to collect insights into the City's services, fiscal situation, and future plans. As noted earlier, much of the City limits and current SOI are surrounded by protected agricultural areas that are not suitable for urban development.

During these discussions, City staff noted that several developed areas located outside the City limits currently receive some combination of municipal services from the City, including water, wastewater or emergency response services. Staff identified three areas where service relationships occur: the Meadowood resort property, the Madrone Knoll residential neighborhood, and the commercial corridor located along Highway 29, south of City limits. According to City staff, these areas are located adjacent to the City and have established service connections with City infrastructure. Additionally, these areas are all located outside the City's Urban Limit Line, as described in their General Plan, and outside the City's corporate boundary.

City staff indicated that the City may be interested in evaluating whether these areas could be considered in future discussions regarding the City's Sphere of Influence or potential annexation. While the scope of this MSR does not entail consideration of changes to the St. Helena SOI, LAFCO may consider the City's desire to expand boundaries, taking into consideration the information contained in this MSR regarding the City's ability to serve and the appropriateness of any expansion of the city limits.

HISTORY

The area now known as St. Helena[1] was originally home to the Wappo people, a Yukian-speaking group who were the region's earliest inhabitants. The local Callajomanes tribelet village, known as Annakotanoma or Anakanoma, was situated near the confluence of Sulphur Creek and the Napa River. Euro-American settlement began in the mid-19th century, including early settlers such as John York and David Hudson. A significant early landholder was Dr. Edward Turner Bale, a British surgeon who became a Mexican citizen and received a Mexican land grant of approximately 17,962 acres in Napa Valley in 1843. Following his death, portions of the Bale estate were subdivided and sold, contributing to the early commercial formation of the community.

The arrival of the railroad in 1868 established St. Helena as an important shipping hub for agricultural and mining products. During the 1860s, vineyards were planted and winemaking operations began to flourish, laying the foundation for what would become one of the world's premier wine-producing regions. By 1886, the population had grown to approximately 1,800 residents, reflecting continued immigration and economic expansion.

Historically, St. Helena functioned as the primary commercial center for central Napa Valley, serving surrounding communities including Howell Mountain, Pope Valley, Rutherford, and Oakville. Residents traveled into town for essential goods and services, education, civic meetings, religious services, and social activities. The City incorporated on March 24, 1876. The City's early identity was shaped not only by agriculture and commerce, but also by a strong sense of community and civic engagement.

Today, three blocks of downtown St. Helena are listed as a National Historic District on the National Register of Historic Places. The City has maintained a longstanding commitment to agricultural land preservation, helping retain its rural character while supporting a globally recognized wine industry. St. Helena continues to reflect its historic roots as a small town with deep traditions of community, hospitality, and agricultural stewardship.

DEMOGRAPICS AND LAND USES

St. Helena encompasses approximately five square miles and includes residential neighborhoods, a historic downtown commercial district, agricultural lands, and hospitality-related uses associated with the wine industry. While the City has experienced modest population decline in recent years, regional forecasts anticipate growth over the next two decades that may offset this trend. The City itself is a relatively built out community, with a population characterized by older and higher-income households.

[1] City of St. Helena history is sourced from the St. Helena public website

POPULATION

According to the January 2025 population estimates, the California Department of Finance ("DOF") reports that the total population of the City of St. is 5,160. Unlike the County which has generally had little population change since the 2010 Census, the DOF reports that St. Helena's population in 2010 was 5,814, equal to an annual average population decrease of 0.8 percent.

Despite the recent drop in residents, the Association of Bay Area Governments projects that St. Helena's population may grow modestly over the next 15 years. The population is projected to increase to about 6,535 by 2030 and 6,665 by 2040, with faster growth through 2029 and slower growth thereafter. By 2040, the City's population would be 29 percent greater than the January 2025 population, but less than 15 percent greater than the City's 2010 population. Thus, much of the projected growth would be making up for the population decreases in recent years.

Figure 2 provides a snapshot of population and household data for St. Helena and Napa County for context. The City covers about 5 square miles with a population density of 1,053 people per square mile. Additionally, the City has 2,891 housing units, averaging 1.85 persons per unit. The median household income is $148,750.

Figure 2: City of St. Helena Demographic Profile

	St Helena	Napa County
Population as of 2010	5,814	136,484
Population as of 2025	5,160	136,124
Annual Pop. Growth Since 2010	-0.8%	0.0%
Total Housing Units	2,891	55,601
Persons/Housing Unit	1.78	2.45
Land Area (Sq Miles)	5	748
Persons/Square Mile	1,016	182
Median Household Income	$148,750	$111,471
Projected Population in 2030	6,535	152,000
Annual Proj. Growth 2025-2029	4.84%	2.23%
Projected Population in 2040	6,665	158,100
Annual Proj. Growth 2025-2040	1.72%	1.00%

Sources: California Department of Finance (DOF), Demographic Research Unit Population and Housing Estimates, January 2025; U.S. Census Bureau American Community Survey 5-Year Estimates (Median Household Income); Association of Bay Area Governments (ABAG) Regional Growth Forecasts for

AGE DISTRIBUTION AND INCOME

RSG analyzed household data from ESRI Business Analyst for the City and County and provides a comparative analysis of these data in Figure 3. In short, relative to the County, St. Helena is generally older and wealthier.

According to ESRI, the City of St. Helena has a median age of 48.9 years, which is notably higher than Napa County's median age of 42.8 years, reflecting a relatively older population profile within the City. This demographic pattern is consistent with St. Helena's higher proportion of senior residents, and translates to lower average household sizes. According to ESRI, St. Helena has a total of 2,341 households and has an average household size of 2.25 persons per unit. By contrast, the County's average household size is 2.63 persons per unit.

The median household income in St. Helena is $148,750, which is approximately 36 percent higher than Napa County's median household income of $111,471. Furthermore, the City of St. Helena has a poverty rate of approximately 5 percent, which is lower than Napa County's poverty rate of approximately 8.4 percent.

Figure 3: City of St. Helena Household and Income Characteristics

Indicator	City of St. Helena	Napa County
Median Age	48.9 years	42.8 years
Median Household I	$148,750	$111,471
Households	2,341	49,663
Average Household	2.25	2.63
Poverty Rate	5%	~8.4%

Source: U.S. Census Bureau, American Community Survey 2018–2022

LAND USE PROFILE

Single-family housing is the predominant residential building type in St. Helena, representing approximately 77.8 percent of the City's 2,963 housing units according to the U.S. Census Bureau's 2018–2022 American Community Survey Approximately 51 housing units, or about 1.7 percent of the City's 2,963 housing units, have been constructed since 2010.

According to CoStar, commercial space in St. Helena is primarily industrial, retail, and office, with these land uses totaling around 92 percent of the aggregate commercial area. Industrial space represents the largest commercial use, making up approximately 39 percent of the commercial building area in St. Helena. Costar also reports only one commercial development is under construction within the City limits, a 3,600-square foot building at 61 Main Street.

Despite being surrounded by agricultural properties including some within the Napa County Agricultural Preserve, per the California Department of Conservation, Napa County did not report any parcels enrolled under the Williamson Act as prime agriculture land within the City's SOI. RSG did not identify any designated open space land within the SOI.

General Plan

The City of St. Helena City Council adopted its current General Plan in 2019 to guide long-term planning and development through the year 2040. Pursuant to Government Code Section 65300, all cities in California are required to maintain a comprehensive general plan to inform decision-making regarding land use, circulation, housing, conservation, open space, safety, and infrastructure. St. Helena's General Plan 2040 reflects the community's longstanding commitment to preserving its small-town character, agricultural heritage, and environmental resources while accommodating state-mandated housing growth and evolving community needs.

The General Plan prioritizes managed and limited growth within the City's established Urban Limit Line (ULL). The ULL generally aligns with, and in some areas is smaller than, the City limits and Sphere of Influence (SOI), reinforcing policies that direct growth toward infill and redevelopment rather than outward expansion into surrounding agricultural lands.

Consistent with other jurisdictions and the Napa County's Agricultural Preserve, St. Helena maintains strong policies protecting surrounding agricultural lands and open space. Thus, rather than sprawl, the General Plan emphasizes compatibility with existing neighborhoods, preservation of historic resources, and context-sensitive development, particularly within the downtown core.

Infrastructure planning under the General Plan focuses on maintaining reliable water and wastewater services, addressing deferred maintenance in streets and storm drainage systems, and enhancing long-term resiliency in response to drought, wildfire, and climate change risks. The Plan also promotes multimodal transportation improvements, pedestrian connectivity, and continued investment in public facilities to ensure that future development is supported by adequate public services. Overall, St. Helena's General Plan 2040 advances a growth management framework that balances housing obligations and economic vitality with environmental stewardship, agricultural preservation, and the maintenance of community charact

Housing Element

The Housing Element is one of the seven (7) mandated elements when composing the General Plan as identified under Government Code Section 65302(c). This section is used to address the existing and projected housing needs of the community. The section also identifies constraints and available sites for residential development, and establishes goals, policies, and implementation programs to ensure the City can accommodate its share of regional housing growth across all income levels.

In addition to preparing a Housing Element, cities in California are required to prepare an Annual Progress Report ("APR") pursuant to Government Code 65584 that documents the issuance of building permits, progress towards state-assigned housing targets, and implementation of Housing Element programs.[2] These housing targets are established through the Regional Housing Needs Allocation ("RHNA"), a process that distributes each jurisdiction's share of the region's projected housing demand across all income levels.

The City adopted their current Housing Element on May 9th 2023, and it was certified by the State Department of Housing and Community Development ("HCD") on September 25th 2023. HCD maintains a website that tracks the production targets and progress on fulfillment of housing element goals. According to HCD, for the 2023–2031 (6th Cycle) Housing Element period, the City of St. Helena has been assigned a total RHNA obligation of 256 units, including 104 very low-income units, 59 low-income units, 26 moderate-income units, and 67

[2] The Housing Element program outlines actions to facilitate housing production, remove constraints, and meet RHNA obligations.

above moderate-income units. The City's 256 units share is equal to 7 percent of the 3814 unit RHNA production goal within Napa County for the 6th Cycle.

HCD also receives from each agency by April 1 their annual progress reports on fulfillment of RHNA goals. As of the most recent data available for the current cycle (through the year ending June 30 2024, the City's Annual Progress Reports posted indicate that the City has permitted 24 units, representing approximately 9.4 percent of its total RHNA obligation. Production has been concentrated in the above-moderate income category, where 31.3 percent of the allocation has been attained, while progress in the lower-income categories remains limited.

Please see Figure 4 below for a summary of St. Helena's RHNA allocations.

Figure 4: City of St. Helena 2023-2031 RHNA Allocation and Progress

Jurisdiction	City of Saint Helena	Napa County
RHNA Allocation	256	3814
Permits Issued	24	814
% Attained	9%	21%

California Department of Housing and Community Development (HCD)

MUNICIPAL SERVICES AND REVIEW

This section of the MSR reviews how the City of St. Helena provides municipal services and includes an operational and fiscal overview of the City. The City operates as a full-service city, providing most municipal services within its jurisdictional boundaries, and in limited circumstances, outside its corporate boundaries.

While the City maintains primary responsibility for service delivery, it coordinates with Napa County and other regional agencies where appropriate to support efficient operations and regulatory compliance. Utility services, public safety functions, infrastructure maintenance, and administrative services are largely administered by City staff, consistent with its full-service designation. Other agencies that provide municipal services include two electrical utilities that serve St. Helena (MCE Clean Energy and Pacific Gas and Electric Company), as well as the Napa County Mosquito Abatement District, an independent special district.

FORM OF GOVERNMENT

The City of St. Helena ("St. Helena" or "City") is an incorporated general law city that operates under a Council-Manager form of government. The City Council consists of five members elected at-large to serve staggered four-year terms. The Mayor is directly elected by voters and serves a two-year term. The most recent City Council election was held in November 2024, and the next municipal election is in November 2026. The most recent City Council election was held in November 2024, and the next municipal election is in November 2026.

The City Council is responsible for establishing city policies, adopting ordinances, and providing overall legislative direction. The City Council also serves as the governing body for the Successor Agency to the former Redevelopment Agency.

COMMUNITY ENGAGEMENT IN GOVERNANCE

The City Council appoints volunteers to various Boards and Commissions, which according to the City's website includes the following:

- Active Transportation Advisory Committee to Napa Valley Transportation Authority
- Active Transportation and Sustainability Committee
- Finance Committee
- Library Board of Trustees
- Measure H Oversight Committee
- Parks and Recreation Commission
- Water and Wastewater Advisory Committee

The City of St. Helena engages the community through a variety of programs and outreach efforts. It operates a six-week Community Academy, offered through the City's website, to educate residents about city operations and encourage participation.

The City also conducts surveys and uses platforms such as FlashVote to gather feedback. St. Helena hosts public study sessions, budget workshops, and forums on key issues like water, housing, and infrastructure.

In addition, the City provides regular newsletters, social media updates, and open City Council meetings to promote transparency, while offering volunteer opportunities and library programs that strengthen direct involvement and collaboration with residents.

ORGANIZATIONAL COMPOSITION

The City Council also appoints a City Manager who is responsible for overseeing the day-to-day administrative operations of the City and implementing Council policies and directives. The City Council also appoints the City Attorney.

According to the City's current two-year budget, the City of St. Helena organizes its operations across the following six departments:

1. Administrative Services Department, consisting of the Finance, Human Resources, and Utility Billing Services Divisions
2. Community Development Department including the Building and Planning Divisions
3. Community Services Department, which oversees Arts, Culture, Library, Parks and Recreation, Grants, and Community Engagement
4. St. Helena Fire Department
5. St. Helena Police Department
6. Public Works Department, which oversees City infrastructure and facilities, including the City's water and wastewater enterprises.

The City Manager appoints department heads and key staff, including the Police Chief, Fire Chief, Administrative Services Director, Community Development Director, and Public Works Director. These Departments provide services through a combination of full- and part-time staff, as well as contract service agreements, which we discuss starting on page 24 of this MSR.

The City authorized approximately 90.95 full-time equivalent staff across all departments, including 12.95 full-time equivalent part-time positions. As of the date of this MSR, staffing vacancies include chief plant operator for the wastewater treatment plant, assistant planner, and two police officers. Current frozen positions include assistant city manager, city clerk, lead maintenance worker, and two library associates. St. Helena is a self-administered city that provides most municipal services in-house, including police, fire, water and wastewater utilities, library, public works, and planning services, rather than outsourcing these functions to external agencies.

EXTERRITORIAL SERVICES

The City's exclusively serves properties within the city limits, with some exceptions.

- Water Services Outside City Limits: The City of St. Helena provides extraterritorial water services through contracts and public safety services through mutual aid to some adjacent unincorporated areas. According to a map provided by Napa LAFCO, the City provides water service to approximately 331 connections outside the city boundary, largely along State Route 29, established through historical agreements predating LAFCO's authority under Government Code Section 56133. These connections are primarily concentrated in agricultural areas south of the City near Zinfandel Lane and Highway 29 (approximately 220 connections), with smaller clusters located near Pratt Avenue (approximately 51 connections), Lodi Lane (21 connections), Deer Park Road (17 connections), Bell Reservoir (13 connections), and Howell Mountain Road (9 connections). Notable examples include the Meadowood Resort and various winery parcels. While these legacy agreements remain active, St. Helena's Municipal Code prohibits new extraterritorial water connections except under limited circumstances (e.g., for emergency fire protection).

  RSG reviews the City's water services beginning on page 35 of this MSR.

- Wastewater Services: The City does not provide wastewater service outside its incorporated limits, however in 2025, the City and LAFCO began informal discussion on the potential to extend the City's wastewater services, though the City's St. Helena Municipal Services District, to the Highway 29/Zinfandel Lane corridor south of the City limits. This unincorporated area contains existing commercial, institutional, and residential uses that rely on local septic systems. On June 6, 2025, Napa County Environmental Health, in a communication with Napa LAFCO, has reported concerns with septic system performance and groundwater quality in the vicinity.

  The St. Helena Municipal Sewer District, was formed prior to the creation of LAFCO in 1963, with ordinances referencing the District dating back to 1955. The District remains in existence as a separate legal entity. In the 2020 Countywide Water and Wastewater MSR, Napa LAFCO determined that the District no longer provided a benefit to City operations and recommended its dissolution, with all functions to be absorbed by the City.

- Other Services: While not technically extraterritorial services provided by City, St. Helena does provide public safety services outside the city limits as is common under mutual aid agreements as described below.

  - As is common for public safety services, law enforcement response in surrounding areas is governed by mutual aid agreements between the City, the County, and other agencies to ensure that the nearest agency responds to calls for service.

- Napa County maintains a **fire services** agreement with the City of St. Helena allowing the City's Fire Department to respond to incidents in nearby unincorporated areas when it can provide the closest available response. The City does not serve as the primary fire protection provider for the surrounding unincorporated areas, which remain under the jurisdiction of Napa County Fire.

Any future extraterritorial service extensions require Napa LAFCO approval in accordance with its adopted Outside Service Agreement Policy, ensuring consistency with regional growth and service planning objectives.

MUNICIPAL SERVICES WITHIN ST. HELENA

This section of the Municipal Service Review evaluates the City's municipal services. The analysis considers available resources, infrastructure capacity, service demands, and operational performance to assess the adequacy and efficiency of service delivery within the City's jurisdiction and Sphere of Influence.

LAW ENFORCEMENT

The City of St. Helena provides law enforcement services through the St. Helena Police Department (SHPD), which is responsible for patrol, investigations, traffic enforcement, crime prevention, and emergency response within the city limits. The Department operates from its headquarters at City Hall (1088 College Avenue), following relocation from its former facility on Main Street in 2023, and is led by a Chief of Police appointed by the City Manager.

According to the City's Annual Consolidated Financial Report ("ACFR") for the year ending June 30, 2024, the Police Department has a total of 18 sworn and civilian employees, which is the highest level in the preceding 10 years.

The Department also participates in regional mutual aid agreements, which provide additional resources during emergencies or periods of increased service demand.

Shared Services: Calistoga Dispatch Shared Service

Recently, the Police Department ceased in-house dispatch and 911 services. Police dispatch and emergency communications services are now provided through a formal **shared services agreement** with the City of Calistoga. The St. Helena City Council approved this agreement on April 22, 2025, authorizing Calistoga to provide all police dispatch and 911 services for an estimated annual cost of approximately $716,371, funded by the General Fund. The agreement has a three-year term effective July 1, 2025 through June 30, 2028, with options for renewal. This arrangement was implemented after the City's former Public Safety Answering Point lost its certification and was unable to obtain recertification, requiring the City to secure an alternative dispatch provider. Under the agreement, Calistoga provides dispatch personnel, facilities, equipment, and communications systems to support 24-hour emergency response services. This shared service model allows the City to maintain continuous dispatch capability without operating its own certified dispatch center.

Infrastructure, Equipment & Facilities

The Police Department is located at City Hall where it houses administrative offices, evidence storage, and patrol operations. According to City budget documents, St. Helena relocated both the Police Department and former City Hall to 1088 College Avenue through a lease with Napa Valley College, where the City may explore either the purchase or long term lease of the property, while at the same time, freeing up former public property for economic development purposes.

From the current location, the Police Department maintains patrol vehicles, communications systems, and standard law enforcement equipment necessary to support daily operations and emergency response.

Based on publicly available information and staff interviews, the Police Department employs a total of 18 positions, including sworn officers supported by administrative personnel and reserve officers, consistent with staffing structures typical of similarly sized jurisdictions. Compared to the nearby City of Calistoga[3], which has a population roughly comparable to St. Helena and its own police department, both departments have the same number of sworn positions (14). As for St. Helena, RSG does note that despite the significant drop in City population, the number of Police Department personnel has remained relatively constant over the past 10 years.

Existing Demands and Capacity

The St. Helena Police Department provides law enforcement services to approximately 5,160 residents, in addition to the local workforce and visitors who travel to the City. The ACFR reported for the 12-month period ending June 30, 2024, the Police Department made 268 arrests, which was the lowest number since 2020, and issued 3,059 traffic violations, which was nearly 3 times the volume of violations in the prior year and well above recent history[4].

Public safety services represent a significant municipal function. According to the City's FY 2023-24 Annual Comprehensive Financial Report, public safety accounted for approximately 23 percent of total governmental expenditures.

In interviews with RSG representatives, City staff indicated that current staffing levels, facilities, and equipment are sufficient to meet existing service demands. However, staff noted that recruitment and retention of sworn personnel remains an ongoing challenge due to competition from larger agencies and the high cost of living in the region. Despite these

[3] City of Calistoga Annual Budget, page 51
[4] June 30, 2024 ACFR, page 153

challenges, the Department continues to maintain staffing levels sufficient to provide service coverage.

Future Demands and Capacity

Future demand for law enforcement services is expected to remain relatively stable, as the City is largely built out and population growth is projected to be modest.

However, according to the City's ACFR, public safety services represent one of the City's largest and fastest-growing expenditure categories, and maintaining adequate staffing and service levels will continue to be a significant financial commitment. Personnel costs, including salaries, benefits, and pension obligations, represent the majority of police department expenditures and are subject to ongoing inflationary and labor market pressures.

City staff indicated that recruitment and retention of sworn personnel remains challenging due to regional competition and the high cost of living, which may increase staffing costs over time. This reality puts pressure on the City's General Fund and the strength of the local tax base to support future cost increase, even if growth itself does not yield substantial impacts on Police Department services.

Finally, it is not yet known how the dispatch services agreement with Calistoga may change in the future, as the current agreement expires in 2028. While RSG believes that the dispatch services agreement would be expected to remain cost-effective, the two cities will need to negotiate terms in the near future to assure this remains the case.

FIRE PROTECTION, EMERGENCY MEDICAL, AND AMBULANCE TRANSPORTATION

The City of St. Helena provides fire protection, emergency medical response, and fire prevention services through the St. Helena Fire Department. The Department operates one fire station (Station 17, located at 1500 Main Street), which is staffed 24 hours per day and provides Basic Life Support emergency medical services, with Advanced Life Support transport provided by regional ambulance providers. Fire protection services are supplemented through automatic aid agreements with Napa County Fire Department and CAL FIRE, which provide coordinated regional response.

In recent years, the City has pivoted from a volunteer fire department to a career department. According to the ACFR, the Fire Department had a total of 14 full-time equivalent (consisting of full and part time) positions within the Department for the year ending June 30, 2024. By comparison, the Fire Department operated with only two personnel in 2015. This shift understandably was a primary reason for the increase in public safety (primarily Police and Fire) expenditures over that time period. In fiscal year 2014-15, the City's public safety expenditures were $3.8 million, but increased to nearly $7.0 million in fiscal year 2023-24, according to the ACFR.

As described on page 24, the City contracts dispatch services with the City of Calistoga under a shard services agreement.

Infrastructure, Equipment & Facilities

The St. Helena Fire Department operates one engine from a single fire station that houses personnel, firefighting apparatus, and emergency response equipment. According to the City's website and confirmed by City staff interviews, the Department utilizes a combination staffing model consisting of six full-time firefighters, approximately 18 part-time firefighters, a full-time Fire Chief, and a Fire Inspector. The station is staffed with a minimum of three personnel on duty at all times to provide continuous emergency response coverage.

Fire protection services are supplemented through a long-standing automatic aid agreement with Napa County Fire Department, including nearby Station 26 operated by CAL FIRE just outside the city boundary. Dispatch services are coordinated through the regional emergency communications system, allowing seamless coordination between responding agencies.

According to City staff, fire inspection and plan review services are supplemented through contract providers to assist with development review and fire code compliance activities.

The Fire Department also conducts fire prevention activities, including defensible space inspections, fire code enforcement, and public education programs, to mitigate fire risk throughout the community.

Existing Demands and Capacity

According to the ACFR for the year ending June 30, 2024, the St. Helena Fire Department responded to 939 fire/emergency calls for service in that year, which was generally in line with recent history. Over the prior 10 years, fire/emergency responses ranged between 763 (FY 2014-15) to a high of 1,003 (2020-21). Over that same period, the Fire Department extinguished between 23 (2017-18) and 44 (2022-23) fires, with the most recent FY 2023-24 data indicating that the Fire Department extinguished 38 fires.

Fire protection demand in St. Helena is significantly influenced by the City's location within a Very High Fire Hazard Severity Zone, which presents an elevated risk of wildfire. While the Department does not operate a dedicated wildland fire engine, it participates in vegetation management and fuel reduction efforts in coordination with Napa County and CAL FIRE. The City also participates in the Napa County Community Wildfire Protection Plan, which supports regional wildfire preparedness and risk mitigation.

Recent wildfire events have demonstrated the importance of regional coordination. In June 2024, the Crystal Fire burned approximately 60 acres near Crystal Springs Road in unincorporated Deer Park just outside the city limits and required a multi-agency response involving CAL FIRE, Napa County Fire Department, and St. Helena Fire Department. Similarly, the 2020 Glass Fire burned more than 67,000 acres across Napa and Sonoma counties, prompting evacuations and impacting emergency response resources serving the St. Helena area.

According to City staff, the Department's combination staffing model and automatic aid agreements provide sufficient capacity to respond to structural fire and medical incidents under current conditions. Regional coordination ensures continuity of service during larger or simultaneous incidents. Still, the City is not immune to increasing wildfire risk and cost escalation with the conversion to a career department.

Future Demands and Capacity

Future demand for fire protection services in St. Helena is expected to be driven primarily by wildfire risk, aging infrastructure, and ongoing emergency service needs rather than substantial population growth. Continued wildfire risk associated with climate conditions and surrounding open space areas will require ongoing coordination with Napa County and CAL FIRE.

According to City staff, the City is currently evaluating long-term funding strategies to support fire protection services, including consideration of potential revenue measures such as a parcel tax. Fiscal constraints and rising operational costs have created ongoing challenges for maintaining service levels.

According to City staff, the City does not currently maintain a formal fire department strategic plan or master plan. The absence of a long-range planning document may limit the City's ability to systematically plan for future staffing, apparatus replacement, capital improvements, and service level needs. RSG believes the Fire Department should also update its retirement cost forecasts to ensure that the new personnel added with conversion to career firefighters are appropriately considered in pension and other post-retirement employment benefits.

Continued financial planning, capital investment, and regional coordination will be important to maintain fire protection service levels and ensure long-term emergency response reliability.

ANIMAL CONTROL

Animal control services in the City of St. Helena are coordinated through the St. Helena Police Department. These services include responding to animal-related complaints, animal cruelty investigations, animal bite investigations, and the handling of stray or injured animals within the City.

The City previously contracted with Napa County Animal Services for animal control and shelter services. In 2015, the City discontinued that contract due to its increasing costs and service concerns. The police department subsequently assumed responsibility for animal control functions.

In May 2024, the City Council approved an agreement with We Care Animal Rescue to provide animal shelter and adoption services for animals recovered within the City. Under this agreement, We Care Animal Rescue operates the animal shelter located at 1345 Charter Oak Avenue in St. Helena and provides sheltering, care, and adoption services for impounded animals. The agreement has an annual cost of $8,000 and is funded through the police department budget.

Existing and Future Demands and Capacity

Demand for animal control services in St. Helena is generally associated with routine public safety and animal welfare concerns, including stray animals, injured animals, and animal bite incidents. The City's current service structure, which combines Police Department response with contracted shelter and adoption services through a local nonprofit organization, provides access to animal housing and care without requiring the City to operate and maintain its own shelter facility. Based on available information, the current arrangement appears adequate to meet existing service demands and is expected to continue meeting foreseeable needs.

PARKS AND RECREATION

The City of St. Helena Community Services Department manages the City's public parks, recreational facilities, and trail network within its jurisdictional boundary. The City currently maintains ten (10) parks, inclusive of community parks, neighborhood parks, and special-purpose facilities, along with several indoor community spaces and an expanding network of trails. These facilities support both passive and active recreation opportunities for residents and visitors.

According to the City's 2023-24 ACFR, the Park and Recreation Department expenditures totaled approximately $1.3 million, which is an increase from prior years due to increased community activities and moving a full-time position from the Administration Department to Parks and Recreation. The amount St. Helena spends on Parks and Recreation, including services and maintenance, is roughly comparable the nearby and similarly sized city of Calistoga (exclusive of the Calistoga Fairgrounds).

In 2008, the City adopted a Parks Business and Strategic Action Plan, which identified system needs, established service priorities, and outlined a financial strategy for future park investments. Building upon that foundation, the City initiated a comprehensive Parks, Recreation & Trails Master Plan in early 2025, scheduled for completion by Winter 2026. The Master Plan is intended to guide equitable access, facility maintenance, program development, and long-term system expansion.

Infrastructure, Equipment & Facilities

The City maintains 11 key park assets that range in size, use, and level of amenity. Figure 5 presents an inventory of the City's community parks, which range from less than one (1) acre to approximately 11 acres in size.

Crane Park, approximately 11 acres in size, serves as the City's primary community park and includes tennis courts, bocce courts, a baseball field, playground facilities, and community event space. Additional neighborhood and special-purpose parks provide open space, picnic areas, recreational amenities, and trail linkages.

In addition to outdoor facilities, the City manages several indoor community spaces that support recreational programming and community events. The City is currently conducting a Parks Condition Assessment and Prioritization Report to evaluate deferred maintenance needs and guide capital investment decisions. This assessment is intended to ensure that park assets are maintained at a high standard while strategically prioritizing rehabilitation and replacement needs.

Figure 5: City Parks and Recreational Facilities

Number	Park Name	Address	Size (Acres)	Attributes
1	Lewis Station	1113 Hunt Ave	0.1	Picnic Tables/Restrooms
2	Crane Park	360 Crane Ave	11.27	Baseball and Softball Fields/Picnic Areas/Playground/Restrooms/Tennis Courts/Volleyball Court
3	Jacob Meily	Pope Street	5.42	Picnic Tables/Playground/Restrooms/Walking Path
4	Lyman Park	1498 Main Street	0.89	Picnic Tables/Playground
5	Mary Fryer Park	1300 Mitchell Drive	0.84	Picnic Tables/Playground
6	Starr Baldwin Park	1591 Spring Street	0.76	Picnic Tables
7	Stone Bridge Park	Pope Street	0.75	Open Turf Area (No Amenities)
8	Wappo Park	201 Pope Street	5.32	Picnic Tables/Barbecue Facilities/Trails/Dog Park
9	Mennen Park	1649 Voorhees Circle	0.17	Picnic Tables
10	McCullagh Park	1758 Crinella Drive	0.14	Play Items, Seating
11	Hunt Ave. Lot	757 Hunt Ave	0.36	Open Turf Area (No Amenities)

Source: St. Helena Parks and Recreation

Existing and Future Demands and Capacity

Based on approximately 26.02 acres of parkland and a population of 5,160, the City provides approximately 5.04 acres of parkland per 1,000 residents. This metric provides a general indicator of parkland availability relative to the City's population. However, planning documents prepared by the City indicate that park system performance is influenced by factors beyond acreage alone, including park amenities, programming, maintenance capacity, and equitable distribution of facilities across the community.

The FY 2023–24 Capital Improvement Program (CIP) requested approximately $5.4 million for park-related projects, primarily allocated toward park amenity improvements, playground equipment replacement, and facility rehabilitation. Funding for planned improvements and ongoing maintenance is supported through a combination of City CIP allocations, Napa County Measure M parks sales tax revenues, grant funding, and user fees.

Although the City maintains a substantial inventory of parkland relative to its population, recent planning efforts indicate that additional investment is needed to address aging facilities and deferred maintenance. The Parks Condition Assessment and the forthcoming Parks, Recreation, and Trails Master Plan are intended to identify long-term maintenance needs, expand trail connectivity, and ensure equitable access to recreational amenities.

According to the draft Parks, Recreation, and Trails Master Plan Needs Assessment, several challenges remain within the park system. These include inconsistent investment in parks and programming across the City, limited amenities and park activation in several parks, and gaps in shade, seating, and recreational features. The assessment also notes that some playgrounds primarily serve younger children and that pedestrian paths within certain parks are inconsistent or in need of improvement.

Future demand for park and recreation services is expected to focus primarily on maintaining existing facilities, improving park amenities, and addressing deferred maintenance rather than significantly expanding park acreage. While ABAG projections indicate that the City's population could increase to over 6,600 residents by 2040, the City's parkland inventory is likely to remain sufficient to accommodate anticipated population growth. As the community's demographic profile continues to evolve, including an aging population, the forthcoming Master Plan will help guide future capital investments and programming to align with changing recreational needs. Overall, St. Helena appears to have adequate parkland relative to its population, though continued capital investment, maintenance, and amenity improvements will be necessary to maintain service quality and address identified system needs over time.

BUILDING, PLANNING AND ENGINEERING

St. Helena provides planning, building and engineering services through a combination of City staff and consultants. According to the ACFR for the period ending June 30, 2024, employment consists of 5 full-time equivalent positions. Based on information gathered from City staff directories and publicly available City documents, the City of St. Helena provides building and planning services through its Community Development Department, which includes staff such as a Community Development Director, Senior Planner, Assistant Planner, Chief Building Official, and permit technicians responsible for administering development review, permitting, inspections, and code enforcement. The City shared that they will retain outside planning consultants for specialized projects or peak workloads, as needed.

The Building Division provides plan review, inspections, and code compliance services with staff available during regular business hours. Planning staff are similarly available to assist with processing development applications and implementing the City's General Plan and zoning regulations.[5] Recently, the city has implemented paperless permitting (eTRAKiT) to further provide transparency during the permitting process

Existing Demands and Capacity

According to the FY 2023-24 ACFR, the number of building permits issued annually has varied over the past ten years, from a high of 688 (FY 2020-21) to a low of 434 (2022-23), with 492 permits issued in FY 2023-24. Total expenditures in 2023-24 were approximately $1.4 million, which was the highest level in the preceding ten years. While it is not unusual that the planning and building costs do not align with the number of building permits issued, the escalation of these costs may be an area of concern, particularly if charges for services do not keep pace. RSG noted that the ACFR for 2023-24 reported total Planning and Building revenues of approximately $159,000, or 11 percent of expenditures. RSG also notes that over the preceding three years, Planning and Building revenues consistently were similarly far short of annual costs: revenues were roughly 10 percent of expenditures in 2022-23, 8 percent in 2021-22, and 8 percent in 2020-21.

The City commissioned Willdan Financial Services to prepare the most recent (2023) Comprehensive User Fee Study, an effort that, according to City Council staff reports, began with the selection of the consultant in November 2015 and action by the City Council to increase and adjust several fees in October 2023. The cost allocation plan that was employed in that study was based on data for Fiscal Year 2019-20.

Therefore, for reasons including the increasing costs in recent years due to inflation felt by cities across California, as well as the passage of time, the City may wish to reconsider the timing of reviewing their fees to recover costs where appropriate for Planning and Building Services.

Future Demands and Capacity

Given the City's relatively small size and constrained growth outlook, development activity and associated permitting demands are generally moderate in scale. St. Helena is a small community of approximately 5,160 residents with limited projected growth. The City's 2040 General Plan estimates buildout of approximately 400 new dwelling units through the long-term planning horizon, while the City's RHNA target for the current 6th Round Housing Element Cycle calls for 256 units to be completed by 2031, although the City is not on pace to reach this 2031 target based on production thus far (see page 19 for more information on the City's progress on the current Housing Element).

[5] Source: City of St. Helena, Community Development Department, Planning and Building Division

Based on this information, the City's existing staffing structure and service delivery framework appear sufficient to accommodate current development levels. No significant service gaps or capacity constraints related to planning, building, or engineering services were identified through publicly available information.

PUBLIC WORKS (ROADS AND STREET MAINTENANCE)

The City of St. Helena is responsible for providing roadway and street maintenance services within its jurisdictional boundary. The City's Public Works Department oversees the design, construction, maintenance, and operation of essential infrastructure, including 4 public buildings, 30.3 miles of streets, and 536 street lights among other public infrastructure[6]. According to the ACFR, the quantity of these inventories have been generally constant over the past 10 years.

Storm drainage infrastructure consists of aging underground pipelines and open channels, many of which are estimated to be 50 to 70 years old. Portions of the system experience capacity limitations, particularly in downtown and other low-lying areas prone to localized flooding during heavy rain events. The City does not currently maintain a comprehensive Storm Drain Master Plan; however, storm drainage improvements are incorporated into roadway and capital improvement projects when feasible.

The City participates in the Metropolitan Transportation Commission's Pavement Technical Assistance Program ("P-TAP"), which supports pavement assessments approximately every two years. Assessment results are incorporated into the City's use of the StreetSaver pavement management system, enabling staff to prioritize cost-effective maintenance strategies.

Existing Demands and Capacity

Pavement conditions are evaluated using the Pavement Condition Index ("PCI"), a standardized rating system ranging from 0 to 100, with higher values indicating better pavement condition. The Public Works Department is responsible for routine roadway maintenance activities such as pothole repair, pavement rehabilitation, striping, signage replacement, and right-of-way upkeep. Historically, the City's roadway network experienced significant deterioration due to deferred maintenance and limited funding. In early 2023, the City's average Pavement Condition Index ("PCI") was 47, which falls within the "poor" classification. In response, the City Council allocated $500,000 in one-time reserve funding for pavement rehabilitation. By mid-2024, approximately 4.1 miles of pavement improvements were completed, raising the City's average PCI to 65 as of August 2024, moving the network into the "fair" classification. The improvement from a PCI of 47 to 65 reflects a measurable shift from reactive maintenance toward more proactive infrastructure management.

The City maintains a rolling five-year Local Streets and Roads Plan, which is regularly updated to align with pavement conditions and available funding. These planning tools, combined with

[6] ACFR for year ending June 30, 2024, page 154

participation in P-TAP and use of StreetSaver, provide a structured, data-driven framework for prioritizing roadway investments.

In addition to capital improvements, Public Works demonstrates operational responsiveness to maintenance demands. Following major winter storm events, the City implemented a focused pothole repair initiative, filling 87 potholes in a single week. Public Works crews also pre-clean and jet storm drains, identify critical inlets and manholes, sweep streets ahead of major storm events, monitor creek and Napa River water levels, stage pumps and barricades, and operate 24-hour sandbag distribution stations. During one recent storm event, the City distributed over 1,500 sandbags to residents and businesses. These efforts reflect active storm preparedness and response capacity.

Despite recent progress, storm drainage infrastructure remains an area of elevated need. Maintenance and improvements are funded through the general Public Works budget, as the City does not maintain a separate stormwater enterprise fund. Aging facilities and historic deferred maintenance continue to create ongoing reinvestment demands.

Future Demands and Capacity

Future demand for roadway and street maintenance services in St. Helena are expected to be driven primarily by asset preservation rather than roadway network expansion. For the foreseeable future, RSG does not expect the City's population to exceed peak levels from 2010 and there are no proposed commercial developments within the City's SOI that are of material size, so substantial expansion of the roadway network is not anticipated within the current planning horizon.

However, continued vehicular use, pavement aging, and weather exposure will incrementally increase maintenance demands over time. Sustaining the recent PCI improvements will require consistent reinvestment to prevent regression into the "poor" classification.

To guide future infrastructure investments, the City adopted a 2024–2028 Capital Improvement Program ("CIP") in September 2024, encompassing 106 distinct projects. Priority areas include continued pavement restoration, sidewalk gap closures, ADA-compliant curb ramp installations, utility system upgrades, and storm drain enhancements. Projects such as the Kearney Street and Madrona Avenue water main replacement reflect coordination between roadway rehabilitation and underground utility improvements, demonstrating an integrated infrastructure management approach.

The 2024–2029 CIP includes dedicated funding for storm drain upgrades, including pipeline upsizing and new inlet installations, often coordinated with street rehabilitation projects to maximize efficiency. While roadway conditions have improved substantially, the City has identified ongoing capital needs in storm drainage and street maintenance stemming from prior deferred maintenance. Sustained capital investment and proactive asset management will be necessary to maintain current service levels and ensure long-term roadway system reliability.

POTABLE WATER

The City of St. Helena provides potable water service through its Public Works Department, which operates and maintains the City's municipal water system, which based on the number of connections is a relatively small system that generally can struggle to achieve the economies of scale given the fixed asset costs. According to city staff, the system serves approximately 2,600 connections (including about 331 outside the City limits as described on page 23) and includes water supply, treatment, storage, and distribution infrastructure. The water utility operates as an enterprise fund and is supported by user fees designed to fund operations, maintenance, and capital improvements.

RSG notes that in 2020, LAFCO conducted a consolidated Water and Wastewater services review countywide, including the St Helena systems, which identified issues with fragmentation of the County's water and wastewater services and infrastructure. LAFCO has since explored the potential of consolidation of systems to achieve service resilience and economies of scale, including discussion of a special study completed by UC Berkeley in June 2024 on this topic. The City itself is also interested in new models for delivery of water services, as evidenced by Water and Wastewater Advisory Committee agenda items in 2026 related to the potential of a regional water system. While the future of how water services in St. Helena and for that matter much of Napa County are uncertain, the City continues to plan and operate its own water system.

Infrastructure, Equipment & Facilities

The City maintains approximately 47 miles of active water pipelines, along with storage tanks, pump stations, and treatment facilities necessary to deliver potable water throughout the service area. The City's water supply is derived from a combination of surface water stored in Bell Canyon Reservoir, groundwater wells, and treated water purchased from the City of Napa through the Rutherford intertie. City staff indicated that approximately one-third of the City's potable water supply is provided through the Napa intertie, with groundwater and surface water providing the remaining supply.

The distribution system includes transmission and distribution pipelines, storage tanks such as the Bell Canyon Reservoir tank, and associated system infrastructure. Public Works staff are responsible for operating and maintaining the system, including performing routine maintenance, repairing leaks, maintaining fire hydrants, and ensuring compliance with drinking water regulations.

Rates

Water operations are funded through user service charges consisting of fixed base fees and volumetric consumption charges based on metered water use. The base fee varies by meter size, while consumption charges are structured using a tiered rate system designed to promote water conservation and reflect the higher cost of supplying water at higher usage levels.

In 2019, the Napa County Grand Jury issued a report finding that at that time, St. Helena had the highest water (and wastewater) rates in Napa County, roughly double the cost of American Canyon and Napa for the same usage. Since that Grand Jury report, the City has raised their rates and yet continues to struggle with insufficient funding for the Water Fund to keep up with expenses particularly associated with a sizable Capital Improvement Program, as we illustrate on page 46 of this MSR.

Cities typically conduct rate studies every five years to inform potential new rates and annual escalations. St. Helena most recently completed a comprehensive Water and Wastewater Cost of Service and Rate Study in 2023 to evaluate long-term operational, maintenance, and capital needs. Following the 2023 study, the City Council approved a 28 percent increase in water rates, which took effect on September 1, 2023. The rate adjustments were necessary to address deferred maintenance, fund infrastructure rehabilitation, and support long-term financial sustainability. The adopted rate plan was developed to support substantial capital improvement needs identified in the City's Capital Improvement Program (CIP), including replacement of aging pipelines, pump stations, and water system facilities.

Despite these rate adjustments, the City's current Capital Improvement Program identifies a remaining funding gap of approximately $19.8 million for water-related capital projects, but even this amount may not be adequate based on information in the City's Water and Wastewater Advisory Committee's March 12, 2026 agenda packet that estimates a need for as much as $57.5 million in water capital system investment.

With limited funding, the City has been working on priorization of water capital projects around those needed for compliance While the rate increases provide additional revenue to address critical infrastructure needs, full implementation of the CIP will require continued financial planning, prioritization of projects, and identification of additional funding sources, which may include future rate adjustments, grants, or external financing.

The City's adopted rate plan represents a proactive effort to improve the financial condition of the water enterprise fund and ensure sufficient revenue to support ongoing operations, debt obligations, and capital maintenance. However, due to the magnitude of remaining capital needs, long-term financial sustainability will depend on the City's ability to continue implementing its capital and financial planning strategies, including increased rates and additional debt.

Existing Demands and Capacity

The water system currently provides adequate capacity to serve existing customers. Annual water production varies based on hydrologic conditions and conservation measures but generally meets system demand.

Drought conditions between 2020 and 2023 significantly reduced water production due to conservation requirements and operational issues affecting imported water supplies. System reliability improved in 2024 as reservoir storage recovered and intertie operations stabilized.

Figure 6 presents a summary of water production within the City for the five year period of 2020 through 2024.

Figure 6: City of St. Helena Water Production

Year	Total Water (Acre Feet)	Total Water (Million Gallons)
2019-2020	1170	381
2020-2021	1664	542
2021-2022	1237	403
2022-2023	1246	406
2023-2024	1417	462

Source: City of St. Helena Cumulative Water Reports 2020 - 2024

Annual deliveries averaged about 1,664 acre-feet in FY 2020–21 but dropped significantly in FY 2021-22 due to drought restrictions, conservation measures, and recurring failures at Napa's Rutherford Pump Station, which were documented in the City's monthly water reports beginning in late 2021. Roughly one-third of St. Helena's water supply is purchased water, so Napa County intertie disruptions had an outsized impact on total production. Deliveries increased to over 1,417 acre-feet in FY 2023-24 as Bell Canyon Reservoir refilled and the intertie stabilized.

The City maintains a diversified water supply portfolio consisting of both local surface water and imported supplies, which supports its ability to meet existing demands under normal operating conditions. However, recent drought conditions and imported supply interruptions highlight the system's partial reliance on external sources and associated infrastructure outside of the City's direct control. While supply conditions have improved and current production appears sufficient to meet existing demand, continued reliance on purchased water underscores the importance of maintaining interagency coordination, ensuring infrastructure reliability, and preserving local supply resilience to support long-term service stability.

More recently, in 2025, residents reported to the City brown-colored water coming from their taps. The City retained a consultant and began a process to investigate and address the water quality issues, which they reported to the City Council in October 2025. The factors that caused the events were attributed to elevated levels of metals due to antiquated equipment, the cadence of system flushing, the age and conditions of pipelines, the reliance on raw water, and the nature of treatment necessary. The City is working with a consultant on the execution of a short-term project to update controls, flushing activities, and consider reprioritization of capital improvements to fund improvements. However, long term investment may be substantially beyond the capacity of the current funding available.

Future Demands and Capacity

RSG expects that in the near term, St. Helena's water services will primarily focus on infrastructure rehabilitation, regulatory compliance, and system reliability needs rather than scaling for additional population growth since it may take several years to reach historic population levels. As a largely built-out community with modest growth projections, overall water demand is expected to remain relatively stable, and future capital needs are largely associated with replacement and modernization of existing infrastructure.

The City's most recent Capital Improvement Program identifies approximately $67 million in planned water system improvements, including pipeline replacements, storage facility upgrades, pump station rehabilitation, and treatment system improvements. These projects are intended to address deferred maintenance, improve system reliability, and ensure continued regulatory compliance. City planning documents also identify a significant funding gap associated with these improvements, reflecting the high cost of maintaining aging infrastructure relative to the City's limited ratepayer base.

In addition to infrastructure needs, the reliability of the City's water supply is influenced by its dependence on multiple water sources. The City receives water from Bell Canyon Reservoir, local groundwater wells, and purchased water from the City of Napa through an intertie connection. Purchased water represents a substantial portion of the City's overall supply, and reliance on this external source creates potential vulnerability during drought conditions, infrastructure failures, or regional supply constraints. As a result, continued coordination with regional partners and investment in local water system infrastructure will be important to maintaining long-term supply reliability.

City staff indicated that ongoing planning efforts, including updates to the Urban Water Management Plan and facility condition assessments, will guide future capital investment and infrastructure replacement priorities. While the City's water system currently has adequate capacity to meet existing and projected demand, continued capital investment and financial planning will be necessary to maintain reliable service and address aging infrastructure.

WASTEWATER

The City of St. Helena maintains and operates its own sanitary sewer collection system serving roughly 2,600 connections including residential, commercial, and institutional users, and operates its own Wastewater Treatment Plant ("WWTP") located on Chaix Lane, where wastewater collected within City limits is conveyed to the WWTP for treatment.

Sewer service is not currently extended beyond the City's jurisdictional boundary, although there have been informal discussions about extending the City's wastewater infrastructure to certain areas outside the City limits to address concerns with properties on deficient septic systems, as described on page 23.

As mentioned earlier on page 35, LAFCO previously conducted a municipal service review of countywide water and wastewater services in 2020. The MSR referenced a still-present issue related to the potential of extending the City's sewer system outside the City limits to address septic system deficiencies, but this topic does also put into focus the possibility of future annexations which the community has been divided on. Additionally, like water services, LAFCO's MSR recommended the exploration of a regional wastewater model particularly to help smaller cities including St. Helena and its neighbors Calistoga and Yountville, finance and maintain small independent systems; a regional model could be an alternative to the City separately exploring exterritorial services to provide sewer outside the city limits.

Infrastructure, Equipment, & Facilities

The City's wastewater collection system includes approximately 24 miles of gravity sewer mains and associated appurtenances. Wastewater is conveyed to the City's WWTP for treatment and discharge.

The current WWTP replaced an original facility constructed in the 1960s. In 2016, the San Francisco Bay Regional Water Quality Control Board issued a Cease-and-Desist Order after determining that the facility could no longer meet updated effluent discharge standards for the Napa River. In response, the City undertook a comprehensive facility upgrade.

In December 2024, the City completed construction of a new tertiary membrane bioreactor ("MBR") treatment facility at a cost of approximately $18.8 million. The upgraded facility provides advanced tertiary treatment and produces highly treated effluent suitable for unrestricted irrigation reuse. The City intends to utilize recycled water for irrigation of parks and roadway medians, reducing demand on potable water supplies and advancing water sustainability objectives. Existing ponds provide additional detention capacity during peak flow events, enhancing system reliability.

Notably, the City's prior 2008 Municipal Service Review identified wastewater capacity limitations and infrastructure constraints as factors influencing growth management policies at that time. Completion of the new tertiary treatment facility represents a substantial advancement in regulatory compliance, treatment reliability, and long-term system capacity relative to conditions documented in the prior MSR.

The City's wastewater infrastructure is also historically associated with St. Helena Municipal Sewer District No. 1, which was formed by City Council resolution in 1964 under the Municipal Sewer District Law of 1911 to finance and construct sewer system improvements. This District functions as an improvement district and the St. Helena City Council serves as its governing body. Because the District is an improvement district rather than a separate special district, it operates as part of the City's wastewater system and is not subject to LAFCO jurisdiction.

Rates

Wastewater operations are funded through sewer service charges consisting of fixed base rates and volumetric charges. Prior to the 2023 rate study, wastewater rates were not sufficient to fully fund increasing operational costs, infrastructure maintenance, and debt service associated with the City's new wastewater treatment plant. In response, the City completed a comprehensive Water and Wastewater Cost of Service and Rate Study in 2023.

Following the study, the City Council adopted a multi-year wastewater rate adjustment plan, which included an initial rate increase of approximately 50 percent, increasing average residential sewer bills from approximately $60–$70 per month to approximately $90–$105 per month. The adopted rate schedule also includes annual increases of approximately four percent through FY 2028-29. Wastewater revenues are projected to generate approximately $4 million to $5 million annually, supporting system operations, debt service, capital maintenance, and reserve funding.

These rate adjustments were necessary to address deferred maintenance, fund the recently completed wastewater treatment plant, and ensure long-term financial sustainability. While the City's relatively small customer base continues to create structural financial challenges, the adopted rate plan reflects proactive financial management and positions the wastewater enterprise fund to remain financially stable.

Existing Demands and Capacity

The upgraded WWTP has adequate treatment capacity to serve existing development and anticipated General Plan buildout within the City's Urban Limit Line. The tertiary MBR facility resolves prior compliance issues and brings the City into full conformance with Regional Water Quality Control Board discharge standards.

The City adopted a five-year Capital Improvement Program in 2024 totaling approximately $57 million, including 15 major projects focused on water and wastewater infrastructure such as pump station improvements, pipeline replacements, and treatment system enhancements. Continued reinvestment in the collection system is necessary to maintain service reliability, particularly replacement of aging sewer mains and upgrades to pump stations.

Operational challenges remain due to staffing constraints identified during interviews with City staff conducted as part of this Municipal Service Review. Staff reported ongoing difficulty recruiting and retaining certified wastewater treatment plant operators. These challenges reflect broader workforce shortages within the water and wastewater industry statewide and are further compounded locally by housing affordability constraints within Napa County.

Despite completion of the new membrane bioreactor ("MBR") facility, the City continues to rely on contract operators to support wastewater treatment plant operations. Staff indicated that recruitment difficulties are influenced by competition from larger agencies offering higher compensation and benefits, as well as the specialized certification requirements associated with advanced tertiary treatment systems. The limited local labor pool further constrains hiring efforts.

The City is exploring strategies to improve recruitment and retention, including evaluating the feasibility of providing staff housing at or near treatment facilities. While current service levels remain compliant and stable, continued reliance on contract operators presents long-term considerations related to operational continuity, workforce stability, and retention of institutional knowledge.

Future Demands and Capacity

Based on available information, the upgraded WWTP appears capable of accommodating projected wastewater demands associated with General Plan buildout within the City's Urban Limit Line. Completion of the tertiary MBR facility provides sufficient treatment capacity and regulatory compliance for anticipated near- to mid-term growth.

Future demand considerations extend beyond treatment plant capacity. As incremental infill and redevelopment occur, flows within certain segments of the collection system may increase, potentially accelerating the need for pipeline rehabilitation and pump station upgrades. Continued reinvestment in the collection network will be necessary to ensure localized capacity constraints do not emerge over time.

Long-term financial sustainability will also influence the City's ability to maintain adequate service levels. Given the City's relatively small ratepayer base, infrastructure replacement costs must be distributed across a limited number of connections. Ongoing capital planning and periodic rate adjustments may be required to support system reliability and debt service obligations.

Workforce sustainability remains an additional consideration. Continued reliance on contract operators for wastewater treatment services presents operational risk if recruitment challenges persist. Maintaining a stable and qualified operations workforce will be essential to protecting the City's recent capital investment and ensuring long-term system performance.

Overall, the City appears well-positioned from a treatment capacity standpoint with the completion of the WWTP. However, the City still faces demands for other infrastructure replacement such as replacing conveyance infrastructure (such as old clay sewer pipe) and sustained capital reinvestment to support the system. Additionally, the City will continue to need prudent financial management and proactive workforce planning will be necessary to maintain reliable wastewater service over the long term.

OTHER SERVICES

Solid Waste (Refuse) Collection

The City of St. Helena maintains an exclusive franchise agreement with Upper Valley Disposal & Recycling Services ("UVDRS") for residential trash collection, recycling, composting, and bulky-item pickups (typically free once or twice a year). Napa County and the Upper Valley Waste Management Agency ("UVWMA"), a joint powers authority of the cities of St. Helena, Calistoga, Yountville, and Napa County, collectively provide solid waste oversight. UVWMA implements state waste-diversion programs (pursuant to AB 939, SB 1383), offering education and resources to help residents and businesses reduce and properly dispose of their waste.

Public Utilities

Public utility services in the City of St. Helena are provided by third-party utilities and include electricity and natural gas infrastructure. Electric service in St. Helena is provided through a community choice aggregation program. MCE Clean Energy, a public, not-for-profit electricity provider serving Napa County, procures electricity for customers within the City. Pacific Gas and Electric Company ("PG&E"), the incumbent investor-owned utility, provides transmission and distribution services, maintains the electric infrastructure, and issues customer billing. PG&E also provides natural gas service to all residential and commercial customers in St. Helena. Accordingly, electricity used by customers is generated or procured by MCE and delivered through PG&E's system, while natural gas service is provided solely by PG&E.7

Publicly available information did not reveal any documented, widespread complaints or formal evaluations regarding customer satisfaction with MCE Clean Energy in St. Helena. RSG had limited access to community satisfaction data specific to electricity generation services within the City, and the degree to which residents are satisfied with or concerned about the community choice aggregation program remains uncertain.

Vector Control

The Napa County Mosquito Abatement District, an independent special district, provides mosquito and vector control services in the City of St. Helena. The District delivers routine services including surveillance, prevention, and control of mosquitoes and other vectors through integrated vector management practices. It also responds to resident service requests for issues such as yellowjackets, ticks, and rodents. In addition, the District offers public education and outreach, including school presentations and community materials on vector safety. The City does not directly fund these services; they are supported by ad valorem property taxes, parcel-based benefit assessments, and contract revenues.

FISCAL HEALTH

The City of St. Helena ("St. Helena" or "City") contracted with Brown Armstrong Accountancy Corporation, an independent certified public accounting firm, to conduct the audit of its financial statements in accordance with governmental auditing standards. These audits evaluate the City's financial reporting, including its assets, liabilities, and net position, and assess compliance with U.S. Generally Accepted Accounting Principles ("GAAP"). According to the City's Fiscal Year 2024 Annual Comprehensive Financial Report, the independent auditor issued an unmodified opinion, indicating that the City's financial statements present fairly, in all material respects, the financial position of the City in conformity with GAAP.

Using expenditure data from the most recently published ACFRs, RSG prepared the following analysis of General Fund, Water Fund, and Wastewater Fund expenditures. The analysis

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[7] Sources: City of St. Helena, Energy Services webpage; MCE Clean Energy, Service Area and Program Description; PG&E Service Overview.

covers a five-year period from fiscal year 2019–20 (year ending June 30, 2020) through fiscal year 2023–24 (year ending June 30, 2024). At the time of preparation of this MSR, the ACFR for fiscal year 2024–25 (year ending June 30, 2025) was not yet available on the City's website.

Although the General Fund reported a surplus in FY 2023-24, the City's adopted budgets for FY 2023-24 and FY 2024-25 anticipated expenditures exceeding revenues and relied on planned use of reserves to maintain balanced budgets. The City's FY 2023-25 Budget Message also references a February 2023 financial analysis prepared by Baker Tilly, which identified an estimated annual structural gap of approximately $6.5 million when accounting for long-term capital needs and staffing levels.

The City's financial planning documents indicate the presence of a near-term structural imbalance driven primarily by rising personnel costs, infrastructure investment needs, and revenue volatility. The City's Long-Range Financial Forecast projects General Fund operating deficits through approximately FY 2028, which would reduce reserves if unaddressed. However, the forecast also anticipates improvement over the long term due to a combination of corrective factors, including additional tax revenues from planned development projects such as the Farmstead at St. Helena hotel project, pension cost stabilization, and revenue increases including adopted utility rate adjustments. Based on these projections, the City is expected to restore structural balance later in the forecast period. While the City is currently managing fiscal pressures, its reserve levels remain strong, and long-term financial stability is anticipated with continued implementation of its financial planning strategies.

GENERAL FUND

The City's General Fund faces pressures from increasing costs due to personnel costs and pensions, which despite some cost cutting by the City Council, have resulted in some erosion of the general fund reserves (in 2023-24, and anticipated in the 2025-26 and 2026-27 budgets). In RSG's experience, these circumstances are not unique to St. Helena as many cities in California are facing the same challenges recently with rising costs. Still, the City's overall reserve levels appear to be adequate to absorb some of these impacts for a short term while the City plans for finding new sources of revenue and stimulate growth in the community.

Revenues

Figure 7 presents the City's General Fund revenues by source from FY 2019-20 through FY 2023-24. Over the five-year period, revenues increased by 37.1 percent.

Figure 7: General Fund Revenue History

Among the highlights in this data are a significant increase in interest earnings (104.3 percent from 2019–20 to 2023–24) and a 43.0 percent increase in sales and other taxes, both of which outpaced the average of all General Fund revenues.. Sales and transaction tax revenues are roughly 52.3 percent of Sales and Other Taxes listed in the table above. These sales taxes include the City's 1 percent share of the Bradley Burns sales tax and the City's additional 0.5 percent transactions and use tax (per Chapter 3.25 of the Municipal Code). At the same time, the ACFR reports that taxable sales volumes increased by 24 percent, which is a trend that realistically may be difficult to sustain without increases in tourism and population in RSG's experience.

But the biggest contributing factor to the growth in Sales and Other Taxes came from lodging. Transient Occupancy Taxes increased significantly to drive this total, going from $2.7 million in 2019-20 to $4.4 million in 2023-24, an increase of approximately 63 percent.

Property taxes increased below the average (34.8 percent), while Development Fees, Charges for Services, and Fines and Forfeitures all decreased. RSG attributes these decreases generally to the recent slowdown in construction activity, as well as the drop in local population.

In November 2024, the City placed two ballot measures before the voters that would change the City to become a charter city (Measure A1), and in turn request the voters to approve a supplemental real property transfer tax that would have increased the taxes assessed on property sales over $1 million by 1.5 percent and on property sales over $5 million by 3.0 percent. Had both measures passed, the City's general fund revenues could have increased by as much as $5.3 million annually according to the impartial analysis. However, both measures failed.

Expenditures

Figure 8 shows the actual General Fund expenditures from FY 2019-20 through FY 2023-24. Total General Fund expenditures amount to about $13.1 million in FY 2019-20 and increased to approximately $17.7 million in FY 2023-24, which represents an increase in expenditures of 34.9 percent over this period, below the increase in revenues.

Figure 8: General Fund Expenditure History

The largest percentage cost increases over the five-year period are Planning and Building (55.7 percent increase) and Public Safety (46.2 percent increase). Other expenditures were closer to the total change in costs over the five-year period.

The two-year budget for fiscal year 2025-26 and 2026-27 indicates that the City expects short term reductions in service levels due to budget cuts necessary to balance the budget. According to the City Manager's budget message, these budget cuts come from increasing employee compensation costs and insurance, specifically general liability (by 20 percent) and property insurance (by 15 percent). As a result, the City Council approved the use of some of the City's reserves along with cuts in spending to achieve a balanced budget plan. Time will tell whether these measures are necessary and sufficient.

RSG understands that, with the shift to a career firefighter model, the increase in personnel and related costs in the Fire Department is one of the primary drivers of cost increases. The ACFR also notes that the City made "an accounting transaction to record changes in pension obligations," which further contributed to these cost increases.

Still, RSG believes the City should also look closer at the increasing cost (and lower level of cost recovery) for the Planning and Building Department, given the trends and proportion of costs recovered by the City in recent years. As explained on in the municipal services analysis for the Department beginning on page 31, while the City did update building and planning fees in 2023-24, these fees were based on what RSG believes may be older data (2019-20) which by today's standards may not reflect the current cost of these services.

Net Revenue and Reserves

Using ACFR data, RSG summarized the last five years of actual General Fund activity, comparing revenues and expenditures and evaluating reported fund balance data, specifically the available reserves ratio reflecting the proportion of the unassigned General Fund fund balance to total expenditures each year. Figure 9 presents the results of this analysis.

Figure 9: General Fund Net Revenue and Reserves Analysis

Overall, the General Fund has seen an increase in revenues compared to expenditures in recent years, and, apart from 2022-23, was able to increase each year its unassigned reserve from 60.4 percent to 87.0 percent. While the City does face pressures of increasing public safety, planning and building, and pension costs, most cities in California are facing some risk of a structural deficit as tax revenues have not kept pace with expenditures. The City will need to continue its efforts in long term financial planning to manage costs, particularly pension obligations as explained on page 50, while pursuing revenues and economic growth.

WATER FUND

Unlike the General Fund, the Water Fund is facing more acute financial pressures for several reasons, including recent revenue deficits and insufficient capital funding, which are not unique to small water systems.

Revenues

Virtually all of the water utility's revenues come from ratepayers, who shouldered 99.5 percent of the fiscal year 2023-24 costs of the Water Fund. The City increased water rates following a 2023 rate study which contributed to a 28 percent increase in rates and additional revenue over the last five years, but still FY 2023-24 revenue was below amounts received in 2020-21 and 2021-22. In 2022-23, the ACFR reports that revenues were 41.7 percent lower primarily because the City opted to waive Phase II Water Conservation penalties that were assessed in 2021-22.

See Figure 10 for a summary of Water Fund revenues reported in the City's ACFR.

Figure 10: Water Fund Revenue History

According to City Council and Water and Wastewater Advisory Committee meeting minutes from the second half of 2025, the City would normally conduct a water rate study in 2027 but is considering advancing the study by one year to allow additional time to implement the next rate increase.

In addition to operating expenses, the City uses Water Fund revenues to fund debt service and pay-as-you-go capital projects to water infrastructure. According to the 2023-24 ACFR, the debt service obligations of the Water Fund consist of a 2019 $5.821 million loan with JPMorgan Chase Bank N.A, a 2012 $7.155 million installment purchase agreement with the California Statewide Communities Development Authority, and a 2022 $5.255 million GO Bond.

Expenditures

According to ACFR data from 2019-20 through 2023-24, Water Fund expenditures increased by 61.4 percent, primarily due to contracts related to Water capital improvement and increased insurance costs. See Figure 11 for summary of Water Fund expenditures over this five-year period.

Figure 11: Water Fund Expenditure History

The ACFR categorizes capital improvement costs in the category referred to as "Other Supply and Expenses", which have increased by approximately 241.0 percent between 2019-20 and 2023-24. This category now represents the largest proportion of all Water Fund spending; yet, the City's current Capital Improvement Program identifies $19.8 million of unfunded Water Fund projects.

More recently, the City has been facing increased pressure to address historic issues with brown water incidents due to the presence of iron and manganese in sourced water that have reached taps. During 2025, the City Council and Water and Wastewater Advisory Committee received several briefings from staff and consultants to discuss the causes of these incidents and potential remedies, as well as to revisit capital investment priorities and funding for infrastructure upgrades. According to the March 2026 agenda packet for the Water and Wastewater Advisory Committee, these capital costs may increase to $57.5 million and necessitate the City to issue a water bond to finance these improvements.

Net Position Analysis

According to the 2022-23 and 2023-24 ACFR, Water Fund revenues have fallen short of revenues, as shown in Figure 12 below.

Figure 12: Water Fund Net Position

According to the ACFR, the shortfall in 2022-23 resulted in the City's decision to waive Phase II Water Conservation penalties assessed in FY 2021-22. However, water rates continue to fall short of annual expenditures, which RSG expects may draw down on the available reserves until water rates are studied and possibly increased again in 2027.

WASTEWATER FUND

Compared to the Water Fund, the fiscal position of the Wastewater Fund is somewhat better, with revenues sufficient to cover recent expenditures. As described in the services review of wastewater services beginning on page 38, the City has substantial challenges as it replaces older infrastructure over the coming years which will require continued investment in capital improvements.

Revenues

Wastewater ratepayers pay approximately 99.9 percent of all Wastewater Fund expenditures in St. Helena. Figure 13 provides a summary of Wastewater Fund revenues based on ACFR data from fiscal year 2019-20 through 2023-24.

Figure 13: Wastewater Fund Revenue History

Wastewater revenue increased by approximately 41 percent over the five-year period, due to the 50 percent increase in sewer rates instituted by the City following the 2023 rate study. The next rate study will be conducted in 2027.

Expenditures

Figure 14 provides a summary of annual Wastewater Fund expenditures between 2019-20 and 2023-24. While revenues increased by approximately 40.4 percent over this period, expenditures grew by 34.6 percent.

Figure 14: Wastewater Fund Expenditure History

The largest components of Wastewater Fund expenditures are for capital project costs (included in Other Supplies and Expenses) and Personnel Services, which increased by 51.8 percent and 40.7 percent, respectively between 2019-20 and 2023-24. Capital project costs generally drive the volatility in annual expenditures.

Net Position Analysis

For the past five years (2019-20 through 2023-24), Wastewater Fund revenues have exceeded annual expenditures. The available revenues ratio, equal to the amount of unrestricted net position to total expenditures, was a 83.4 percent, which is satisfactory to meet short term cash flow needs.

See Figure 15 for a breakdown of net revenues and net position for the Wastewater Fund.

Figure 15: Wastewater Fund Net Position

PENSION OBLIGATIONS

The City provides a defined pension benefit to its employees through investment risk-pool contracts with the California Public Employee Retirement System ("CalPERS"). These contracts offer St. Helena employees specified retirement benefits based on the date of hire and placement into two categories: classic and non-classic, with the former including a second-tier category. This section of the report provides details regarding St. Helena's pension based on actuarial valuations for the City issued by CalPERS annual reporting process and covers information regarding City enrollees, formulas, contributions, and funded status.

Enrollees and Funding Formulas

The CalPERS actuarial valuation report for FY 2023 identifies a total of 293 participants enrolled in the City of St. Helena's pension program. This total includes 244 miscellaneous members, two safety fire members, and 47 safety police members.

- Employees hired prior to January 1, 2013 are classified as "Classic" members and participate in defined benefit formulas established prior to the Public Employees' Pension Reform Act (PEPRA). Classic miscellaneous employees receive a pension benefit based on approximately 2.0 percent of final compensation for each year of service beginning at age 55, while Classic second-tier miscellaneous employees receive benefits based on approximately 2.0 percent at age 60.
- Employees hired on or after January 1, 2013 are classified as PEPRA members and generally receive a defined benefit formula of approximately 2.0 percent of final compensation beginning at age 62. Safety police employees participate in a Classic safety formula of approximately 3.0 percent at age 55, while safety fire employees participate in either Classic or PEPRA safety formulas depending on hire date.

Miscellaneous Pension Plan

Figure 16 summarizes enrollee information for the City of St. Helena's miscellaneous pension plan between FY 2020 and FY 2023, including active members, retirees, and other participant classifications.

Figure 16: City of St. Helena Miscellaneous Pension Enrollee Information

	2020	2021	2022	2023	TREND
Type					
Active	54	45	44	51	-5.6%
Transferred	29	33	41	42	0.0%
Separated	43	51	52	56	30.2%
Retired	91	95	96	95	4.4%
Total	**217.0**	**224.0**	**233.0**	**244.0**	**12.4%**
...Active to Retiree Ratio	0.6	0.5	0.5	0.5	-9.5%

Source: CalPers Acturial Reports (FY 20 – 23)

As shown in the figure above, the City's miscellaneous pension plan reflects a relatively mature workforce profile. The number of retirees exceeds the number of active employees contributing to the system, resulting in an active-to-retiree ratio of approximately 0.5 to 1 in FY 2023. Mature pension systems often experience higher contribution requirements as the number of benefit recipients grows relative to active employees.

In addition to enrollee composition, an important indicator of pension system health is the funded status of the plan. Funded status reflects the relationship between the market value of pension assets and the actuarially accrued liabilities owed to current and future retirees. A higher funded ratio indicates a stronger financial position, while lower ratios indicate the presence of unfunded liabilities that must be addressed through future contributions.

Figure 17 summarizes the funded status of the City of St. Helena's miscellaneous pension plan between FY 2020 and FY 2023.

Figure 17: City of St. Helena Miscellaneous Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 21,290,247	$ 25,751,017	$ 23,573,641	$ 24,721,866	16.1%
Accrued Liability	29,789,632	31,467,169	33,040,169	34,688,309	16.4%
Unfunded Liability	**(8,499,385)**	**(5,716,152)**	**(9,466,528)**	**(9,966,443)**	**17.3%**
...Funded Ratio	**71.5%**	**81.8%**	**71.3%**	**71.3%**	**-0.3%**

Source: CalPers Acturial Reports (FY 20 - 23)

As shown in Figure 18, the City's miscellaneous pension plan maintained a funded ratio ranging from approximately 71 percent to 82 percent between FY 2020 and FY 2023. In FY 2023, the plan reported approximately $24.7 million in assets compared to $34.7 million in accrued liabilities, resulting in an unfunded liability of roughly $10 million and a funded ratio of 71.3 percent. While the plan remains underfunded and will be an impact on budget planning in the near term, this funding level is generally consistent with many CalPERS municipal pension systems.

Police Personnel Pension Plan

In addition to the miscellaneous pension plan, the City participates in a separate CalPERS pension plan for police personnel. Figure 18 details the enrollee information for the police personnel pension plan through the review period.

Figure 18: City of St. Helena Police Personnel Pension Enrollee Information

	2020	2021	2022	2023	TREND
Type					
Active	9	9	12	13	44.4%
Transferred	8	7	6	4	-50.0%
Separated	5	5	3	2	-60.0%
Retired	27	27	26	28	3.7%
Total	**49.0**	**48.0**	**47.0**	**47.0**	**-4.1%**
...Active to Retiree Ratio	**0.3**	**0.3**	**0.5**	**0.5**	**39.3%**

Source: CalPers Acturial Reports (FY 20 - 23)

The total participants in the police personnel pension plan declined slightly during the review period, at 4.1 percent. While the total active members grew at 44.4 percent, the amount of transferred and separated members declined at 50.0 and 60.0 percent respectively.

Figure 19 summarizes the funded status of the City of St. Helena's police pension plan between FY 2020 and FY 2023.

Figure 19: City of St. Helena Police Personnel Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 18,668,319	$ 19,758,179	$ 20,603,057	$ 21,576,016	15.6%
Accrued Liability	18,742,639	19,674,932	20,795,011	21,827,533	16.5%
Unfunded Liability	**(74,320)**	**83,247**	**(191,954)**	**(251,517)**	**238.4%**
...Funded Ratio	**99.6%**	**100.4%**	**99.1%**	**98.8%**	**-0.8%**

Source: CalPers Acturial Reports (FY 20 - 23)

As shown in Figure 19, the City's police pension plan remained nearly fully funded throughout the review period. The funded ratio remained close to 100 percent between FY 2020 and FY 2023, indicating that pension assets closely matched the plan's actuarial liabilities. In FY 2023, the plan reported approximately $21.6 million in assets and $21.8 million in accrued liabilities, resulting in a funded ratio of approximately 98.8 percent.

Fire Personnel Pension Plan

In addition to the miscellaneous pension plan, the City participates in a separate CalPERS safety pension plan for fire personnel. Figure 20 details the enrollee information for the fire personnel pension plan through the review period.

Figure 20: City of St. Helena Fire Personnel Pension Enrollee Information

Classic (Miscellaneous)	2020	2021	2022	2023	TREND
Type					
Active	2.00	2.00	2.00	2.00	0.0%
Transferred	-	-	-	-	0.0%
Seperated	-	-	-	-	0.0%
Retired	-	-	-	-	0.0%
Total	**2.00**	**2.00**	**2.00**	**2.00**	**0.0%**

Source: CalPers Acturial Reports (FY 20 - 23) and Safety Fire (ACFRs FY 20 - 23)

The number of enrollees in the fire personnel pension plan remained static during the review period with only two active members from FY 2020 to FY 2023. This represents the smallest membership between the City's three pension plans.

Figure 21 summarizes the funded status of the City of St. Helena's fire pension plan between FY 2020 and FY 2023.

Figure 21: City of St. Helena Fire Personnel Pension Funded Status

	2020	2021	2022	2023	TREND
Category					
Market Value of Assets	$ 18,668,319	$ 19,758,179	$ 20,603,057	$ 21,576,016	15.6%
Accrued Liability	18,742,639	19,674,932	20,795,011	21,827,533	16.5%
Unfunded Liability	**(74,320)**	**83,247**	**(191,954)**	**(251,517)**	**238.4%**
...Funded Ratio	**99.6%**	**100.4%**	**99.1%**	**98.8%**	**-0.8%**

Source: CalPers Acturial Reports (FY 20 - 23)

Since only recently shifting to the career firefighter model, the City's fire pension plan represents a very small portion of the overall pension system. Due to the limited number of participants, the plan's assets and liabilities are relatively small compared to the City's miscellaneous and police pension plans. Nevertheless, the funded ratio remained strong during the review period, indicating that plan assets generally kept pace with actuarial liabilities.

MSR & SOI DETERMINATIONS

Based on the analysis in this MSR and consistent with the requirements of Government Code Sections 56430 and 56425, RSG has outlined the following determinations for Napa LAFCO's consideration:

SERVICE PROVISION DETERMINATIONS

POPULATION PROJECTIONS AND GROWTH

The City of St. Helena has experienced a modest population decline since the 2010 Census; however, regional projections indicate that population growth is expected to resume gradually over the next two decades. The Association of Bay Area Governments projects that the City's population will increase modestly through 2040, largely offsetting recent population declines. Based on these projections, population growth within the City is expected to remain moderate and generally consistent with the City's current planning assumptions and service capacity.

DISADVANTAGED UNINCORPORATED COMMUNITIES IN OR CONTIGUOUS TO SOI

Based on the information reviewed as part of this Municipal Service Review, no Disadvantaged Unincorporated Communities ("DUCs") were identified within or contiguous to the City of St. Helena's Sphere of Influence. The areas surrounding the City are largely designated for agriculture and open space under Napa County's General Plan and Agricultural Preserve and do not contain communities meeting the statutory definition of a DUC.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES

The following statements apply to the City of St. Helena and address the availability, adequacy, and performance of the core municipal service functions evaluated in this report including:

Law Enforcement

Law enforcement services appear adequate to meet current demand. However, maintaining staffing levels and sustaining the shared dispatch services agreement will require ongoing financial planning given rising public safety costs and recruitment challenges associated with regional competition and the high cost of living.

The Police Department (and City Hall itself) operate out of property leased by Napa Valley College. In the coming years, the City will need to negotiate with the College for a long-term lease or find a permanent location, which may result in additional real estate and capital costs not yet known.

Fire Protection and Emergency Medical Services

The City's fire protection and emergency response services appear adequate to meet current demand. However, the City's recent transition from a volunteer fire department to a career staffing model has significantly increased public safety expenditures. As a result, the City will need to consider the appropriateness and timing of additional revenue sources to sustain current public safety service levels over the long term.

Planning, Building, and Engineering

Planning and building services appear adequate to accommodate existing development activity and anticipated growth levels. However, revenues from planning and building fees currently recover only a small portion of departmental costs, suggesting the City may wish to periodically review and update its fee structure to ensure appropriate cost recovery for development-related services.

Animal Control

The City's current service model appears adequate to meet existing demand. The combination of police response and contracted shelter services provides an efficient approach to animal control operations without requiring the City to operate its own animal shelter facility.

Parks and Recreation

The City's parks and recreation system appears adequate to serve existing residents and anticipated population growth. Continued capital investment and implementation of the forthcoming Parks, Recreation and Trails Master Plan will be important to address aging facilities, improve amenities, and ensure equitable access to recreational resources.

Public Works (Roads and Street Maintenance)

The City of St. Helena provides roadway and street maintenance services through its Public Works Department, which maintains approximately 30 miles of streets and associated infrastructure including storm drainage systems and street lighting. Recent pavement rehabilitation efforts have improved the City's average Pavement Condition Index from "poor" to "fair," reflecting progress toward proactive asset management.

With the exception of water and wastewater services addressed separately, general infrastructure and maintenance services appear adequate to meet current service demands. Continued capital investment and implementation of the City's pavement management program and Capital Improvement Program will be necessary to maintain recent improvements, address aging storm drainage infrastructure, and ensure long-term roadway system reliability.

Potable Water

The City of St. Helena provides potable water service through a municipally operated water utility serving approximately 2,600 connections, which include approximately 331 customers outside the City limits. While the system generally maintains adequate capacity to meet current demand, recent drought conditions, imported supply disruptions, aging infrastructure, and identified capital funding gaps highlight ongoing operational and infrastructure challenges.

LAFCO should continue to explore opportunities for regionalization of water services, as recommended in the 2020 Water and Wastewater Services MSR, given the challenges facing St. Helena and other small water systems in the County. Such exploration should include considerations of the impact on water rates and potential economies of scale.

Wastewater

The City of St. Helena owns and operates a municipal wastewater collection system and wastewater treatment plant serving approximately 2,600 connections within the City. Completion of the new tertiary membrane bioreactor wastewater treatment facility in 2024 significantly improved treatment capacity, regulatory compliance, and system reliability compared to conditions identified in the City's prior MSR.

Based on the information reviewed as part of this MSR, the City's wastewater system has adequate treatment capacity to serve existing development and projected growth within the City's planning area. Continued capital reinvestment in the collection system, long-term financial planning, and workforce recruitment efforts will be important to maintaining reliable wastewater service over time.

FINANCIAL ABILITY TO PROVIDE SERVICES

The City of St. Helena maintains a generally stable fiscal position supported by a diversified revenue base that includes property taxes, sales taxes, and transient occupancy taxes. General Fund revenues increased from approximately $14.4 million in FY 2019-20 to $19.8 million in FY 2023-24 and have generally kept pace with expenditure growth. The City also maintains strong reserve levels, with estimated reserves equal to approximately 81 percent of annual expenditures, well above the City's minimum reserve policy of 30 percent. This reserve should be able to absorb short term impacts associated with recent budget deficits and pension cost increases.

The City appears capable of maintaining existing municipal service levels in the near term. However, the City's long-range financial forecast anticipates operating deficits through approximately FY 2028, which may require continued use of reserves and implementation of corrective fiscal strategies. Long-term financial sustainability will depend on the City's ability to implement planned revenue enhancements, manage expenditure growth, and continue long-term capital and financial planning.

OPPORTUNITIES FOR SHARED FACILITIES

The City of St. Helena currently participates in several shared service arrangements that enhance operational efficiency and regional coordination. Examples include the shared police dispatch agreement with the City of Calistoga and automatic aid agreements for fire protection services with Napa County Fire Department and CAL FIRE. Other coordination with neighboring jurisdictions and regional agencies may provide additional opportunities for cost efficiencies and service enhancements where operationally feasible.

Other opportunities for shared services or other governance models for water and wastewater services should be explored by LAFCO to the extent they can address services deficiencies in surrounding unincorporated areas, manage growth to where it is appropriate while protecting agricultural area, and creating economies of scale.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS

The City of St. Helena is governed by an elected City Council that is responsible for establishing policy, adopting budgets, and overseeing the provision of municipal services. City operations are administered by professional staff under the direction of the City Manager. Public meetings, budget documents, and planning materials are made available to the public in accordance with state transparency requirements, providing residents with opportunities to participate in decision-making and communicate community service needs.

ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY LAFCO POLICY

Napa LAFCO does not have additional policies regarding necessary MSR determinations beyond the requirements of Government Code Sections 56430 and 56425, as addressed above.

SOI DETERMINATIONS

LAFCO will at a future date use the information in this MSR among other data and analysis to evaluate any changes to the St. Helena sphere of influence. At this time, LAFCO will be making no changes to the current St. Helena SOI.

Attachment 2

LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Municipal Service Reviews and Special Reports

(Adopted: November 3, 2008; Last Amended: April 7, 2025)

I. Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 establishes a framework for responsible and forward-thinking governance by requiring LAFCO to conduct Municipal Service Reviews (MSRs) and Special Reports. These reviews and reports ensure that cities and special districts are operating with fiscal responsibility, service efficiency, and long-term sustainability in mind. As part of the MSR process, LAFCOs review and update each agency’s sphere of influence (SOI) to align with evolving community needs. The MSR process serves as a critical tool for fostering vibrant, all-age-friendly communities by assessing the availability, capacity, and efficiency of public services. MSRs can be a tool to help guide smart growth strategies, safeguard natural resources, and maintain a high quality of life for current and future generations.

LAFCO Special Reports investigate specific issues related to local governance, boundaries or services. They are focused on a particular challenge, agency, or set of circumstances, for example, they might focus on a particular city or district regarding inefficiencies, financial stability, climate resilience, equitable access to services, or other specific issues.

For decades, Napa County has been a leader in sustainable land use and agricultural preservation. In 1968, it pioneered the nation’s first Agricultural Preserve, ensuring that Napa’s rich valley and foothill areas remain dedicated to agriculture as the backbone of the local economy, environmental health, and cultural identity. Measure P, passed in 2008, reinforces this commitment by requiring voter approval for any re-designation of agricultural and open-space lands, further strengthening the county’s vision for a balanced, sustainable, and economically resilient future. Through these efforts, Napa County continues to set a model for livable sustainability — one where responsible fiscal planning, environmental stewardship, and community well-being go hand in hand.

II. Purpose

The purpose of this policy is to guide the Local Agency Formation Commission (LAFCO) of Napa County in scheduling, preparing, and adopting MSRs and Special Reports.

III. Objective

The objective of the Commission in conducting MSRs is to evaluate governmental services necessary to support orderly growth and development in Napa County. Underlying this objective is the development and expansion of the Commission’s knowledge and understanding of the current and planned provision of local governmental services in relationship to the present and future needs of the community. The Commission will use MSRs not only to inform subsequent SOI determinations, but also to identify opportunities for greater coordination and cooperation between service providers as well as possible government structure changes.

The MSR process requires LAFCO to make determinations regarding the provision of public services pursuant to Government Code (G.C.) §56430 and empowers, but does not require, the Commission to initiate changes of organization based on MSR conclusions. However, the Commission, affected local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes to service delivery, government organization, or SOIs.

The objective of the Commission in conducting Special Reports is to dive deeper into specific issues to provide a more comprehensive evaluation of particular challenges and possible solutions of a specific jurisdiction or public service.

IV. SCHEDULING

The Commission's annual Work Program includes a schedule for initiating and completing MSRs consistent with the Commission's obligation to review and update each city and special district's SOI, as necessary, and consistent with the Commission's adopted *Policy on SOIs*. MSRs shall be completed for each city and each special district as defined in G.C. §56036. When feasible, the Commission shall schedule MSRs in conjunction with general plan updates.

Each MSR will generally be prepared in four distinct phases:

A. The first phase will involve the distribution of a request for information to be completed by the affected local agency and returned to LAFCO staff for review and analysis. Staff will compile this information in an administrative draft report, which will be made available to staff from each affected local agency for review and comment to identify any needed technical corrections.

B. The second phase will be the release of a public draft report that includes technical corrections identified by the affected local agencies. Staff will present the public draft report for discussion purposes only at the next Commission meeting. The public draft report will be provided to the Commission and affected local agencies, and will be made available to the public for review and comment for a period of no less than 30 days.

C. In the third phase, a final report that includes any new information or comments generated during the public review period will be presented to the Commission for formal action at a noticed public hearing.

D. In the fourth phase, every effort should be made to disseminate the MSR beyond the affected agencies. Stakeholders and the public should be made aware and have access to the information and recommendations included in the MSR.

Special Reports are "as needed" and are often in response to requests from agencies, community members or LAFCO commissioners. A Special Report includes issue-specific analysis, but not limited to, financial, operational, or governance recommendations.

V. PREPARATION

A. Format

The Commission may prepare MSRs using any of the following formats:

1) A countywide service-specific MSR will examine a governmental service or services across multiple local agencies on a countywide basis.
2) A region-specific MSR will examine governmental services provided by all local agencies that are entirely contained within a designated geographic area.
3) An agency-specific MSR will examine targeted governmental services provided by a specific local agency as described in Section V(C)(3) of this policy.

B. Local Agency Participation

The Commission will encourage input from affected local agencies in designing MSRs to enhance the value of the process among stakeholders and capture unique local conditions and circumstances effecting service provision. This includes identifying appropriate performance measures as well as regional growth and service issues transcending political boundaries. The Commission will also seek input from the affected local agencies in determining final geographic area boundaries for region-specific MSRs. Factors the Commission may consider in determining final geographic area boundaries include, but are not limited to, SOIs, jurisdictional boundaries, urban growth boundaries, general plan designations, topography, and socio-economic communities of interest.

C. Content

MSRs shall include:

1) Written determinations for each of the following factors enumerated under G.C. §56430(a):

   a) Growth and population projections for the affected area.
   b) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.
   c) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI. (Special emphasis should be given to capacity, adequacy and needs with the goal of climate resilience.)
   d) Financial ability of agencies to provide services and maintain long-term financial sustainability including but not limited to capital investments, pension obligations and regulatory compliance
   e) Status of, and opportunities for, shared facilities, services, and governance
   f) Accountability for community service needs, including governmental structure and operational efficiencies.
   g) Any other matter related to effective or efficient service delivery, as required by commission policy.

2) An evaluation of the following matters related to effective or efficient service delivery pursuant to G.C. §56430(a)(7) if the Executive Officer, in consultation with the agencies being reviewed, determines the matter is relevant:

   a) Agricultural Preserve (Measure J) and Agricultural Watershed/ Open Space (Measure P)
   b) Location and characteristics of existing outside service agreements
   c) Joint powers agreements involving the direct provision of public services
   d) Growth goals and policies of the land use authorities in Napa County
   e) Climate resilience
   f) Housing, including affordable housing and workforce housing
   g) Transportation, including, but not limited to, airport, bicycle and pedestrian movement and public transportation
   h) Cumulative service impacts related to current and planned development

3) An evaluation of target governmental services, which may include, but are not limited to, water, wastewater, law enforcement, fire protection, emergency medical, streets, and parks. General governmental services such as courts, social services, human resources, tax collection, and administrative services will generally not be included in the MSR. LAFCO reserves the right to consider additional service classifications in each MSR.

VI. Sphere of Influence

A completed MSR will be used to inform the review and, if appropriate, update of each affected agency's SOI consistent with G.C. §56430(a) as well as the Commission's adopted Work Program and *Policy on SOIs*. The Commission and any affected local agencies are encouraged to discuss the need for SOI updates. The Commission may complete the MSR and any appropriate SOI actions at the same meeting or as part of separate meetings.

VII. Environmental Review

MSRs are informational documents and generally exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations §15306 because they are limited to basic data collection, research, and resource evaluation activities that do not result in a serious or major disturbance to any environmental resource. However, if an MSR is used to facilitate a significant governmental change such as formation of a new special district, it can be assumed the MSR would be subject to CEQA and may require the preparation of an environmental impact report. The Commission shall act in accordance with its adopted *Policy on CEQA*.

VIII. ADOPTION

The Commission will complete each scheduled MSR by formally receiving a final report and adopting a resolution codifying its written determinations as part of a public hearing. Each completed MSR will be provided to any affected local agencies and included on the Commission's website for public viewing.

At the completion of a Special Report, it will be agendized for review and discussion by the LAFCO Commission. It may lead to policy recommendations, boundary adjustments, consolidations, or financial oversight actions.

City of St. Helena
City Manager's Office

July 17, 2026

Brendon Freeman
Executive Officer
Local Agency Formation Commission of Napa County
1754 Second Street, Suite C
Napa, California 94559
bfreeman@napa.lafco.ca.gov

Subject: City of St. Helena Feedback on the Administrative Draft Municipal Services Review (MSR), dated March 26, 2026

Dear Brendon,

The City of St. Helena appreciates the opportunity to provide feedback on the March 26, 2026, Administrative Draft Municipal Services Review (MSR) prepared by RSG, Inc. We recognize the complex nature of evaluating municipal service delivery across Napa County and appreciate the collaborative process undertaken thus far.

We extend our sincere thanks to LAFCO staff and the consulting team for incorporating the data updates and additions requested by City staff during our sessions since last November. We appreciate that the City's specific areas outlined in our General Plan, alongside new sections on Animal Control, Solid Waste, Public Utilities, and Vector Control, have been acknowledged in the draft. These inclusions provide a more comprehensive view of our community's service touchpoints.

However, the City must express concerns regarding certain findings in the Executive Summary and specific assertions that mischaracterize our current operational standing. To ensure the final report accurately reflects our municipal context, we formally request clarification and adjustments to the following items:

- **Request for Supporting Documentation:** The draft references a 2020 countywide water and wastewater MSR. As the City has no record of this study, we respectfully request a copy for our review. Furthermore, the City's water and wastewater utilities currently provide reliable service to our customers and possess adequate capacity to support future growth. This infrastructure places the City in a strong position to accommodate potential expansion.

- **Clarification on Population Trends:** We request a re-examination of the report's statements regarding recent population decline. If the data indicates a decline, we ask that the report acknowledge that this may be a consequence of complex housing regulations rather than regional economic or demographic shifts.
- **Characterization of Interagency Collaboration:** The draft suggests that the City did not collaborate effectively in data collection. We strongly object to this characterization, as City staff have engaged in good faith throughout this process. We request that these inaccurate assertions be removed.
- **Falcon Crest Winery Annexation:** The City requests the inclusion of the Falcon Crest Winery annexation request that was initiated by the property owner. This request was formally discussed by the City Council in February 2026, as an active and relevant project for the City's long-term planning and potential future growth.
- **Operational Review Period and Future Outlook:** We inquire clarification regarding the report's focus on 2020–2025 data, given the current 2026 review period. Please clarify the schedule for the next MSR cycle and the specific intent of this current draft. Additionally, we request that the report include context regarding the timeline since the last finalized MSR and the reasons for the delayed duration.
- **Financial Sustainability and Strategic Alignment:** The draft MSR mischaracterizes the City's fiscal position and requires substantial amendment to accurately reflect current conditions and ongoing strategic actions. We are actively addressing projected structural imbalances through planned development within City's current SOI and within potential annexed areas, business efficiencies, and service consolidations. Furthermore, the report must acknowledge that rising labor costs are a systemic challenge across all municipal sectors, not an isolated issue within the St Helena Fire Department.

Next Steps

- The City requests the draft MSR to acknowledge the City's strategic interest in future growth. Given our documented sufficiency in water and wastewater capacity, we propose that this MSR serve as the definitive baseline assessment to confirm the adequacy of our infrastructure to support future expansion.
- The City has reserved detailed technical comments at this stage due to a misalignment between the draft's current focus and the intended purpose of the MSR.

- We remain hopeful for further, meaningful engagement to ensure this MSR serves as a practical, productive tool for the City and LAFCO.

We look forward to working with you to refine this document prior to final publication. Should LAFCO agree to these next steps, the City team is prepared to submit additional technical comments at a mutually agreed date.

Respectfully,

James C. McCann

James McCann
Interim City Manager

CC: Joe Leach, PE, Assistant City Manager/Director of Public Works/City Engineer
Leza Mikhail, Community Development Director
Pamela Wu, Principal Consultant, Arise Solutions

Attachment 3

City of St. Helena
City Manager's Office

Jul 27, 2026

Brendon Freeman
Executive Officer
Local Agency Formation Commission of Napa County
1754 Second Street, Suite C
Napa, California 94559
bfreeman@napa.lafco.ca.gov

Subject: Supplemental Comments: Administrative Draft Municipal Services Review (MSR) – Request for Inclusion of General Plan Study Areas

Dear Brendon,

Following our correspondence submitted on July 24, 2026, regarding the March 2026 Administrative Draft Municipal Services Review (MSR), the City of St. Helena respectfully submits this supplemental request for your consideration.

As the City continues its review of the MSR, we have identified a vital opportunity to align the document more closely with our long-term growth objectives. We formally request that the MSR encompass a study of the City's designated General Plan Study Areas specifically, as previously requested by the City team:

1. The southern corridor;
2. The Meadowood area; and
3. Properties adjacent to, and the City's Wastewater Treatment Plant area (WWTP).

The City's General Plan has long identified these locations as Study Areas for potential inclusion within the City. We believe that this MSR presents the appropriate procedural window for LAFCO to evaluate these areas. Establishing this groundwork now is essential, as the MSR serves as the foundational analysis required for any future amendments to the City's Sphere of Influence (SOI). Incorporating these areas at this stage would ensure a comprehensive, transparent, and data-driven process that reflects the City's documented strategic interests.

We request that LAFCO formally acknowledge these Study Area designations and incorporate an analysis of their logical inclusion within the City's SOI into the final MSR. We believe this addition will not only clarify the MSR's scope but also streamline future planning efforts.

We remain available to discuss this request and how it can be integrated into the final publication. Thank you for your continued partnership and for your work in guiding this process.

Respectfully,

James McCann
Interim City Manager

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

Agenda Item 9a (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: August 3, 2026

SUBJECT: Consider Approval of Amendment to the Policy on Unincorporated Islands

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RECOMMENDATION

It is recommended the Commission adopt the Resolution of the Local Agency Formation Commission of Napa County Amending the *Policy on Unincorporated Islands*, included as Attachment 1.

SUMMARY

On August 4, 2025, the Commission established an ad hoc Policy Committee and appointed Commissioners Gallagher and Ramos to advise staff in the review of local policies. The Policy Committee met and agreed amendments are needed to the Commission's *Policy on Unincorporated Islands*.

The Committee's recommended amendments would align the Commission's local definition of an "island" with state law. The amendments would also adjust the definition of "substantially surrounded" from "50% or more" to "75% or more" based on a review of several other similar and nearby LAFCOs paired with the Commission's recent decision not to make island annexations a priority in the foreseeable future.

A clean version of the proposed amendment is provided as an exhibit to the draft resolution, included as Attachment 1. A tracked change version of the amendment is included as Attachment 2.

ATTACHMENTS

1) Draft Resolution Amending the *Policy on Unincorporated Islands*
2) Proposed Amendment to *Policy on Unincorporated Islands* (Tracked Changes)

RESOLUTION NO. _______

RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AMENDING THE POLICY ON UNINCORPORATED ISLANDS

WHEREAS, on February 3, 2020, the Local Agency Formation Commission of Napa County (the "Commission") adopted a *Policy on Unincorporated Islands*; and

WHEREAS, the Commission considered a proposed amendment to the *Policy on Unincorporated Islands* at its regular meeting on August 3, 2026, and invited public comment at that meeting; and

NOW, THEREFORE, BE IT RESOLVED that the Commission hereby amends the *Policy on Unincorporated Islands* as attached hereto.

This Resolution shall take effect immediately.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on August 3, 2026, after a motion by Commissioner____________, seconded by Commissioner ________________, by the following vote:

AYES: Commissioners ____

NOES: Commissioners ____

ABSENT: Commissioners ____

ABSTAIN: Commissioners ____

____
Beth Painter
Commission Chair

ATTEST: ______________________
Brendon Freeman
Executive Officer

Recorded by: Charlie Livingston
Commission Clerk

LOCAL AGENCY FORMATION COMMISSION OF NAPA

Policy on Unincorporated Islands
(Adopted: February 3, 2020; Last Amended: August 3, 2026)

I. Background

Unincorporated islands (hereinafter "islands") are areas of unincorporated territory that are completely or substantially surrounded by an incorporated city or town. The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for streamlining the annexation of islands to cities and towns (California Government Code (G.C.) §56375.3). CKH prohibits creation of new islands unless the Commission determines the prohibition would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or town, or incorporated as a new city or town (G.C. §56744). As a condition of annexation to a city or town that includes territory located within an island, the Commission may require that the annexation include the *entire* island (G.C. §56375(a)(5)).

II. Purpose

It is the intent of the Commission to establish a policy that clearly defines the characteristics of islands in Napa County to allow for their streamlined annexation to cities and towns. This is consistent with the intent of the California Legislature when it enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain islands to be annexed *without* a protest hearing or election. In approving this legislation, the Legislature recognized the following:

A) Islands represent a statewide governmental inefficiency that could be resolved if these islands were annexed into the appropriate surrounding city or town.

B) Property owners' ability to vote on boundary changes is a statutory privilege and not a constitutional right.

C) Islands are inherently inefficient, and these inefficiencies affect not just residents within islands, but also those residing throughout the city or town and the county.

III. Annexation Procedures

In order to utilize the streamlined annexation provisions codified under G.C. §56375.3, a city or town is required to initiate the process by adopting a resolution of application and submit the adopted resolution to the Commission. The Commission shall approve the annexation at a noticed public hearing and waive protest proceedings. The Commission may not disapprove the annexation. A property tax sharing agreement between the County and the affected city or town is required before the Commission may take final action on annexation consistent with Revenue and Taxation Code §99. The Commission encourages any city or town to enter into tax sharing agreements for affected islands prior to adoption of a resolution of application.

IV. Local Policy Definition of "Island"

The Commission defines an "island" in Napa County to include unincorporated territory that meets all of the following criteria:

A) Located entirely within a city or town's sphere of influence;

B) Does not exceed 150 acres in size;

C) Does not contain prime agricultural land as defined in the Cortese-Knox-Hertzberg Act (G.C. §56064);

D) Designated for urban development in the general plan of the annexing city or town;

E) Surrounded or substantially surrounded by the annexing city or town. Substantially surrounded territory is unincorporated territory with a perimeter that is 75% or more contiguous to the annexing city or town's jurisdictional boundary;

F) The territory is developed or developing. This determination is based on the availability of public utilities, the presence of public improvements, or the presence of physical improvements on the parcels within the area; and

G) The territory is currently receiving municipal service benefits from the annexing city or town, or would benefit from the city or town following annexation.

LOCAL AGENCY FORMATION COMMISSION OF NAPA

Policy on Unincorporated Islands
(Adopted: February 3, 2020; Last Amended: August 3, 2026)

I. Background

Unincorporated islands (hereinafter "islands") are areas of unincorporated territory that are completely or substantially surrounded by an incorporated city or town. The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 includes provisions for streamlining the annexation of islands to cities and towns (California Government Code (G.C.) §56375.3). CKH prohibits creation of new islands unless the Commission determines the prohibition would be detrimental to the orderly development of the community and that the area is located such that it could not reasonably be annexed to another city or town, or incorporated as a new city or town (G.C. §56744). As a condition of annexation to a city or town that includes territory located within an island, the Commission may require that the annexation include the *entire* island (G.C. §56375(a)(5)).

II. Purpose

It is the intent of the Commission to establish a policy that clearly defines the characteristics of islands in Napa County to allow for their streamlined annexation to cities and towns. This is consistent with the intent of the California Legislature when it enacted special legislation, originally adopted in 1977 and subsequently expanded, that made it possible for certain islands to be annexed *without* a protest hearing or election. In approving this legislation, the Legislature recognized the following:

A) Islands ~~continue to~~ represent a ~~serious and unnecessary~~ statewide governmental inefficiency ~~and that this inefficiency~~that ~~would~~ could be resolved if these islands were annexed into the appropriate surrounding city or town.

B) Property owners' ability to vote on boundary changes is a statutory privilege and not a constitutional right.

C) Islands are inherently inefficient, and ~~that~~ these inefficiencies affect not just residents within islands, but also those residing throughout the city or town and the county.

III. Annexation Procedures

In order to utilize the streamlined annexation provisions codified under G.C. §56375.3, a city or town is required to initiate the process by adopting a resolution of application and submit the adopted resolution to the Commission. The Commission shall approve the annexation at a noticed public hearing and waive protest proceedings. The Commission may not disapprove the annexation. A property tax sharing agreement between the County and the affected city or town is required before the Commission may take final action on annexation consistent with Revenue and Taxation Code §99. The Commission encourages any city or town to enter into tax sharing agreements for affected islands prior to adoption of a resolution of application.

IV. Local Policy Definition of "Island"

The Commission defines an "island" in Napa County to include unincorporated territory that meets all of the following criteria:

A) Located entirely within a city or town's sphere of influence;

B) Does not exceed 150 acres in size;

C) Does not contain prime agricultural land as defined in the Cortese-Knox-Hertzberg Act (G.C. §56064);

~~D) Does not contain lands subject to Measure P or has a General Plan designation of Agricultural Resource or Agriculture, Watershed and Open Space as reflected in the County of Napa General Plan Land Use Map~~;

~~E)~~D) Designated for urban development in the general plan of the annexing city or town;

~~F)~~E) Surrounded or substantially surrounded by the annexing city or town. Substantially surrounded territory is unincorporated territory with a~~n outer boundary~~ perimeter that is ~~50~~75% or more contiguous to the annexing city or town's jurisdictional boundary;

~~G) The outer boundary is the annexing city or town's jurisdictional boundary, the annexing city or town's sphere of influence, and/or property owned by the State of California;~~

~~H)~~F) The territory is developed or developing. This determination is based on the availability of public utilities, the presence of public improvements, or the presence of physical improvements on the parcels within the area; and

~~I)~~G) The territory is currently receiving municipal service benefits from the annexing city or town, or would benefit from the city or town following annexation.

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

Agenda Item 9b (Action)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer B F

MEETING DATE: August 3, 2026

SUBJECT: Discuss a Draft MSR & SOI Work Plan for Fiscal Years 2026-27 & 2027-28 and Consider Scheduling a Strategic Planning Workshop

RECOMMENDATION

It is recommended the Commission discuss the draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Work Plan for Fiscal Years 2026-27 and 2027-28 (hereinafter referred to as the "Work Plan"), included as Attachment 1, and provide any direction to staff as desired for the further development of the Work Program prior to its adoption at a future meeting. It is also recommended the Commission provide direction to staff with respect to scheduling a strategic planning workshop and possibly soliciting an outside facilitator.

BACKGROUND AND SUMMARY

The Commission annually adopts a Work Plan to schedule and prepare its statutorily mandated studies such as MSRs and SOI updates. The Commission has broad discretion in how it chooses to conduct these studies so long as the mandatory factors for consideration are addressed. For example, the Commission may conduct an agency-specific MSR (e.g., Napa County Resource Conservation District MSR), a region-specific MSR (e.g., South County Region MSR), or a countywide service-specific MSR (e.g., Napa Countywide Water and Wastewater MSR). Special reports may also be conducted, such as governance studies for specific agencies (e.g., Napa River Reclamation District No. 2109 Governance Study) or reviews of other types of government agencies that typically fall outside of LAFCO's purview (e.g., joint powers authorities).

In developing the Work Plan, staff considered the completion dates of previous studies for each local agency as well as priority levels for the next round of studies. In addition, the Work Plan is structured as a 2-year plan, which will better reflect the amount of time needed to strategically develop the Commission's MSR & SOI schedules and complete each study. A 2-year plan also aligns with a stated interest amongst members of the Commission to pivot to 2-year budget cycles as well.

The Work Plan includes MSRs and SOIs covering all out-of-date studies (i.e., more than five years since adoption of the previous study on a local agency). Staff recommends the Commission discuss the Work Plan and provide direction to staff for any desired changes prior to its adoption at a future meeting.

Staff recommends the Commission schedule a strategic planning workshop as soon as possible to consider statutory mandates, local policy matters, and options to complete the reports for MSRs and SOIs, as well as possible other topics of interest to members of the Commission. Strategic planning would help inform a final Work Plan for adoption at a future meeting. The Commission's most recent strategic planning workshop occurred in July 2023. If the Commission is agreeable, staff has identified the following alternatives:

1) Direct the Executive Officer (EO) to facilitate the strategic planning workshop
    a) Schedule for immediately before or after the October 5, 2026 meeting
    b) Schedule for a special meeting as desired

2) Direct the EO to seek an outside facilitator
    a) If the cost is $5,000 or less, the EO has authority under local policy to enter into the consultant contract without returning to the Commission
    b) If the cost exceeds $5,000, approval of a consultant contract at a future Commission meeting would be required prior to conducting the workshop

With all of this in mind, staff recommends the Commission provide direction to staff with respect to scheduling and possible facilitation services for a strategic planning workshop.

ATTACHMENT

1) Draft MSR & SOI Work Plan for Fiscal Years 2026-27 & 2027-28

Attachment 1

Napa LAFCO MSR & SOI Work Plan for Fiscal Year 2026-27 & 2027-28

	Study	Timeline	Comments
MSR STUDIES	Countywide Fire & EMS MSR (Consultant)	Continue from FY25-26 - Draft report TBD	Previous Countywide Fire MSR completed in 2006 by a consultant. Contracting with AP Triton to prepare the report. Status pending requested changes to data under review by consultant.
	City of St. Helena MSR (In-House)	Continue from FY25-26 - Draft report in August 2026	Previous MSR completed in 2008 by a consultant. Contracted with RSG to prepare a draft report. Project has since been brought entirely in-house.
	Cemetery Districts MSR: Monticello Public Cemetery District & Pope Valley Cemetery District (In-House)	NEW - Draft report in February 2027	Previous MSRs completed in 2016 in-house.
	Napa County Mosquito Abatement District MSR (In-House)	NEW - Draft report in April 2027	Previous MSR completed in 2017 in-house.
	County Service Areas No. 3 & No. 4 MSR (In-House)	NEW - Draft report in June 2027	Previous MSRs completed in 2017 & 2018: CSA3 MSR by a consultant as part of South County Region MSR; CSA4 MSR in-house.
	City of Napa MSR (Consultant)	NEW - Draft report in October 2027	Previous MSR completed in 2014 in-house as part of Central County Region MSR.
	City of Calistoga MSR (Consultant)	NEW - Draft report in December 2027	Previous MSR completed in 2016 by a consultant.
	Town of Yountville MSR (Consultant)	NEW - Draft report in February 2028	Previous MSR completed in 2017 by a consultant.
	City of American Canyon MSR (Consultant)	NEW - Draft report in April 2028	Previous MSR completed in 2018 by a consultant as part of South County Region MSR.
	Napa County Regional Park and Open Space District (In-House)	NEW - Draft report in June 2028	Previous MSR completed in 2019 in-house.
SOI STUDIES	City of St. Helena SOI (In-House)	NEW - Draft report in February 2027	Previous SOI update in 2008 by a consultant.
	Cemetery Districts SOIs: Monticello Public Cemetery District & Pope Valley Cemetery District (In-House)	NEW - Draft report in June 2027	Previous SOIs update in 2016 in-house.
	Napa County Mosquito Abatement District SOI (In-House)	NEW - Draft report in August 2027	Previous SOI update in 2017 in-house.
	County Service Areas No. 3 & No. 4 SOIs (In-House)	NEW - Draft report in October 2027	Previous SOI updates in 2017 & 2018: CSA3 by a consultant; CSA4 in-house.
	City of Napa SOI (In-House)	NEW - Draft report in February 2028	Previous SOI update in 2014 in-house.
	City of Calistoga SOI (In-House)	NEW - Draft report in April 2028	Previous SOI update in 2016 by a consultant.
	Town of Yountville MSR (In-House)	NEW - Draft report in June 2028	Previous SOI update in 2017 by a consultant.
	City of American Canyon MSR (In-House)	NEW - Draft report in August 2028	Previous SOI update in 2018 by a consultant.
	American Canyon Fire Protection District SOI (In-House)	NEW - Draft report in August 2028	Previous SOI update in 2018 by a consultant.
	Napa County Regional Park and Open Space District (In-House)	NEW - Draft report in October 2028	Previous SOI update in 2019 in-house.