



**Local Agency
Formation Commission**
LAFCO of Napa County

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AUGUST 7, 2006
AGENDA ITEM NO. 7b

July 26, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: **Comprehensive Study of Landscaping and Lighting Districts (Action)**
Staff is presenting written determinations regarding the service operations of the County Service Area No. 3 and the Silverado Community Services District. These determinations address the nine service factors required for consideration as part of the Commission's service review mandate and are being presented for adoption as part of two separate draft resolutions.

At its June 5, 2006 meeting, staff presented the Commission with written determinations regarding the service operations of the County Service Area No. 3 (CSA No. 3) and Silverado Community Services District (SCSD). These determinations were presented for a first-reading and address the nine service factors required for consideration as part of the Commission's service review mandate. Following the June meeting, a 30-day notice of review was circulated to both affected agencies. No comments were received.

One new determination has been prepared for both CSA No. 3 and SCSD and is discussed below.

Draft resolutions codifying determinations for CSA No. 3 and SCSD have been prepared and are being presented for adoption by the Commission. These draft resolutions making determinations with respect to the service operations of both affected agencies would fulfill the Commission's service review mandate under Government Code §56430.

New Determination (CSA No. 3 and SCSD):

As part of the first-reading of the determinations in June, Commissioners Alexander and Kay collectively commented that it is important for government agencies to make a concerted effort to monitor and plan for capital depreciation. Staff agrees with this comment and has added the following determination to the "Financing Constraints and Opportunities" sections for both CSA No. 3 and SCSD:

The County Service Area No. 3 is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

The Silverado Community Services District is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

RECOMMENDATION

It is recommended for the Commission to take the following actions:

- 1) Approve the form of the attached draft resolution making determinations with respect to the service operations of the County Service Area No. 3 pursuant to California Government Code §56430; and
- 2) Approve the form of the attached draft resolution making determinations with respect to the service operations of the Silverado Community Services District pursuant to California Government Code §56430.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Resolution: CSA No. 3
- 2) Draft Resolution: SCSD

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
COUNTY SERVICE AREA NO. 3**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public landscaping and lighting services in Napa County, which includes territory served by the County Service Area No. 3; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Landscaping and Lighting Districts”, including the review of the County Service Area No. 3, on June 6, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on June 6, 2005 and at meetings of the Commission on October 3, 2005, June 5, 2006, and August 7, 2006; and

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

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
COUNTY SERVICE AREA NO. 3**

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines that this service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The service review is a data collection and research study. The information contained within the service review may be used to consider future actions that will be subject to environmental review.

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS SERVICE REVIEW COUNTY SERVICE AREA NO. 3

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) A key function of the County Service Area No. 3 is facilitating the provision of structural fire protection and fire prevention in Napa County's "Airport Industrial Area" through an assessment. Funds generated from this assessment are transferred to the County of Napa Fire Department. Determinations relating to the provision of fire protection in the Airport Industrial Area will be addressed as part of LAFCO's scheduled *Comprehensive Study of Fire Services*.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The infrastructure system operated and maintained by the County Service Area No. 3 is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) There are approximately 10 non-conforming residential units located within the jurisdictional boundary of the County Service Area No. 3. It is unknown whether all of these units are currently inhabited.

 - b) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the County Service Area No. 3. Making use of the current per household projection, the estimated resident service population of the District is 26.

Exhibit A

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The County Service Area No. 3 is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.
 - b) Because the County Service Area No. 3 is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by property owners.

5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
 - a) Through careful monitoring of its contractual arrangements with service providers, the County Service Area No. 3 makes a concerted effort to avoid unnecessary expenditures.

6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
 - a) The County Service Area No. 3 reviews its assessments on an annual basis to ensure that its service operations are appropriately funded.

7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) The County Service Area No. 3 should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.

8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) The current government structure of the County Service Area No. 3, by definition a dependent entity governed by the Board of Supervisors, is appropriate.

Exhibit A

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) Oversight of the County Service Area No. 3's contracts is provided by the staff of the Napa County Airport, who are employees of the Napa County Public Works Department. While this arrangement appears to ensure that a sufficient level of expertise is employed in the management of the District, Public Works should evaluate whether it would be more efficient for the same individual managing the Silverado Community Services District to manage the County Service Area No. 3.

10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
 - a) The County Service Area No. 3 makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.

RESOLUTION NO. ____

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

**COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
SILVERADO COMMUNITY SERVICES DISTRICT**

WHEREAS, the Local Agency Formation Commission of Napa County (hereinafter referred to as “the Commission”) may conduct service reviews of local agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq., hereinafter referred to as “Act”); and

WHEREAS, the Commission adopted a schedule for service reviews on October 11, 2001; and

WHEREAS, pursuant to Government Code Section 56430, the Executive Officer designated a countywide service review of public landscaping and lighting services in Napa County, which includes territory served by the Silverado Community Services District; and

WHEREAS, pursuant to its adopted schedule, the Commission held a public meeting on the “Comprehensive Study of Landscaping and Lighting Districts”, including the review of the Silverado Community Services District, on June 6, 2005; and

WHEREAS, the Executive Officer prepared a written report of this service review that was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public meeting on June 6, 2005 and at meetings of the Commission on October 3, 2005, June 5, 2006, and August 7, 2006; and

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

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

COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS
SERVICE REVIEW
SILVERADO COMMUNITY SERVICES DISTRICT

1. In accordance with the adopted Local Agency Formation Commission Environmental Impact Report Guidelines, and applicable provisions of the California Environmental Quality Act (CEQA), the Commission hereby determines that this service review is exempt from the provisions of CEQA under Section 15306 of the State CEQA Guidelines (Title 14 of the California Code of Regulations Section 15306). The service review is a data collection and research study. The information contained within the service review may be used to consider future actions that will be subject to environmental review.

2. The Commission adopts the statement of determinations set forth in "Exhibit A," which is attached and hereby incorporated by reference.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of Napa County, State of California, at a regular meeting held on the 7th day of August, 2006, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

ATTEST: EXECUTIVE OFFICER

Clerk of the Commission

By: _____

EXHIBIT A

COMPREHENSIVE STUDY OF LANDSCAPING AND LIGHTING DISTRICTS SERVICE REVIEW SILVERADO COMMUNITY SERVICES DISTRICT

STATEMENT OF DETERMINATIONS

1. With respect to general policies [Government Code §56430], the Commission determines that:
 - a) The Silverado Community Service District has four active powers: street lighting, street sweeping, landscape maintenance, and weed abatement (as a form of fire prevention). All other powers enumerated in Community Services District Law are considered latent (inactive) pursuant to California Government Code §61002.

2. With respect to infrastructure needs or deficiencies [Government Code §56430(a) (1)], the Commission determines that:
 - a) The infrastructure system operated and maintained by the Silverado Community Services District is limited to street lights and landscaping in public areas. The District contracts for these services and includes appropriate levels of monitoring and repair as part of these contracts.

3. With respect to growth and population projections for the affected area [Government Code §56430(a) (2)], the Commission determines that:
 - a) The population per household projection issued by the California Department of Finance for Napa County is an appropriate indicator to estimate the resident service population of the Silverado Community Services District. Making use of the current per household projection, the estimated resident service population of the District is 2,835.

4. With respect to financing constraints and opportunities [Government Code §56430(a) (3)], the Commission determines that:
 - a) The Silverado Community Services District is dependent on voter approved assessments to fund its service operations. Assessments provide the District with a predictable level of revenue that does not readily adjust to recover increased service costs. Because of this constraint, it is important that the District emphasize preventive maintenance to preserve and extend the effective operation of infrastructure and to protect against capital depreciation.

Exhibit A

- b) Because the Silverado Community Services District is funded through assessments, the District must continue to engage its constituents to ensure that assessments cover the level of service desired by the community.
5. With respect to cost avoidance opportunities [Government Code §56430(a) (4)], the Commission determines that:
 - a) Through careful monitoring of its contractual arrangements with service providers, the Silverado Community Services District makes a concerted effort to avoid unnecessary expenditures.
6. With respect to opportunities for rate restructuring [Government Code §56430(a) (5)], the Commission determines that:
 - a) The Silverado Community Services District reviews its assessments on an annual basis to ensure that its service operations are appropriately funded.
7. With respect to opportunities for shared facilities [Government Code §56430(a) (6)], the Commission determines that:
 - a) The Silverado Community Services District should periodically evaluate whether it would be cost-effective to contract for service with other public agencies in the region rather than private providers.
8. With respect to government structure options, including advantages and disadvantages of consolidation or reorganization of service providers [Government Code §56430(a) (7)], the Commission determines that:
 - a) Though there are few dependent community service districts in California, the limited powers of the Silverado Community Services District and its close relationship to other public and quasi-public organizations in the “Silverado Urban Area” suggest that existing as a dependent special district governed by the Board of Supervisors is the most cost-effective and efficient governance structure for the District.
 - b) California Government Code §61106 was recently amended to require that an existing community services district obtain approval from LAFCO in order to activate any of its latent powers. This provision provides the Silverado Community Services District flexibility to seek future activation of additional services in the event they are needed within the community while providing for a LAFCO review and approval process.

Exhibit A

9. With respect to evaluation of management efficiencies [Government Code §56430(a) (8)], the Commission determines that:
 - a) Oversight of the Silverado Community Services District's contracts is provided by County of Napa Public Works Department. This arrangement ensures that a sufficient level of expertise is employed in the management of the District.

10. With respect to local accountability and governance [Government Code §56430(a) (9)], the Commission determines that:
 - a) The Silverado Community Services District makes reasonable efforts to maintain public dialogue with its constituents. These efforts help to facilitate local accountability and contribute towards public involvement in local governance.
 - b) Representatives from the Silverado Community Service District regularly attend the quarterly meetings of the Silverado Community Services District Advisory Committee. This committee, which is part of the local homeowners association, enhances community participation in District activities and helps to ensure that service information is being effectively communicated to constituents.