

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

December 14, 2011

Board of Supervisors Chambers
Martinez, CA

1. Chair Michael McGill called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. Roll was called. A quorum was present of the following Commissioners:
City Members Don Tatzin and Alternate Tom Butt.
County Members Federal Glover and Gayle Uilkema and Alternate Mary Piepho.
Special District Members Michael McGill and Dwight Meadows and Alternate George Schmidt.
Public Members Martin McNair and Alternate Sharon Burke.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, Planner Nat Taylor, and Clerk Kate Sibley.
4. Approval of the Agenda
Upon motion of McNair, second by Tatzin, Commissioners moved Agenda Item 8 (West Contra Costa Health Care District Update) to follow Agenda Item 5 (Approval of November Minutes) and adopted the revised agenda unanimously.
5. Public Comments
There were no public comments.
6. Approval of November 9, 2011 Meeting Minutes
Upon motion of Uilkema, second by Glover, the minutes for the November 9, 2011 meeting were approved, with Commissioner Butt abstaining.
7. West Contra Costa Health Care District (WCCHCD) Update (Agenda Item No. 8)
The Executive Officer gave an overview and brief chronology of events leading to this report. Commissioner Tatzin confirmed that LAFCO would be looking at this district with a second Municipal Services Review (MSR) in 2012.

Eric Zell, WCCHCD Board Vice Chair, announced that his Board has named him the liaison to LAFCO. After noting that WCCHCD operates a public stand-alone hospital with a majority of Medicare and MediCal patients with historical financial challenges, he added that the recent ballot measure in West County showed that a resounding 74% of voters supported an additional tax to continue support of the District, recognizing its integral value. Mr. Zell then introduced Dawn Gideon, the District's Executive Director.

Ms. Gideon provided further history of WCCHCD, formed in 1947, and the hospital, opened in 1954. She spoke of the \$10 million tax transfer approved by the County Board of Supervisors, the fact that additional funding by the State of California and the California Medical Assistance Commission has not been forthcoming throughout this time, and that they will be offering Certificates of Participation (COP) for short-term funding. The District will issue an RFP for a strategic planning firm to help them project a sustainable financial model through 2015.

Commissioner Uilkema agreed that this hospital is critical to the region, and suggested that the District might consider looking into providing trauma care for returning military personnel. It

could serve a potential paying population, could provide a new Federal funding stream, and would benefit residents of the area. Ms. Gideon agreed this is an interesting concept—one that should be explored across the country—and one they will keep in mind as they go forward with their planning efforts.

Commissioners commented on the District's services, congratulated the District on the work that has been done to stabilize the agency, agreed that LAFCO should hold off on the MSR until after the strategic plan has been finalized, and encouraged Mr. Zell to return with updates. The Chair asked that the District provide Commissioners with the information relating to the COP, additional budget information, and information regarding the RFP/strategic plan.

8. LAFCO 11-10 - Clayton Regency Mobile Home Park (Contra Costa Water District OASA)

The Executive Officer gave an overview and background on this proposal, its location outside the Urban Limit Line as well as Contra Costa Water District's (CCWD) service boundary and SOI, and the fact that it has been declared an existing public health emergency. Water has been trucked in daily by the City of Brentwood since 2001. CCWD has applied to supply water through a limited-diameter pipe that would be extended for service to the Clayton Regency Mobile Home Park (CRMHP) only, with a three party agreement among CCWD, CRMHP, and Contra Costa County applying restrictions on the service.

Commissioners questioned the ability of all parties, including LAFCO, to keep the restrictions in place in order to prevent future growth. Discussion ensued among Commissioners, Pat Roche of County Planning, and Steve Taratino of Erler & Kalinowski (representing Clayton Regency LLC), regarding both short- and long-range safeguards. Staff suggested adding a condition requiring the County and CCWD notify LAFCO if any changes in the three-party agreement are proposed, including proposed changes in land use and proposed termination of the agreement.

Upon motion of Uilkema, second by Glover, the Commission unanimously made the required CEQA finding, authorized Contra Costa Water District to extend water service outside its boundary to Clayton Regency Mobile Home Park, with the inclusion of additional conditions requiring notification of LAFCO in the event of any changes to the service or the three-party agreement, as suggested by staff.

9. Northeast Antioch Update

The Executive Officer gave an overview and brief chronology pertaining to the pending annexation of the Northeast Antioch area, noting that the November 28 committee meeting was cancelled to allow the County and City of Antioch to continue their negotiations on the tax transfer.

Victor Carniglia, speaking for the City of Antioch, stated that most major issues have been resolved and the proposed tax transfer is about 95% complete. The agreement will soon be ready to present to the County Board of Supervisors and the Antioch City Council. In response to a question from Commissioner Meadows, Mr. Carniglia confirmed that the LAFCO process should be completed well within the framework of the December 2012 deadline.

Staff confirmed that the LAFCO process can move forward once the tax agreement has been approved by both the County and the City.

Commissioner Glover thanks the LAFCO members for their participation in the subcommittee meetings, and noted that meetings will now focus on other issues.

There were various questions by the Commissioners regarding the specifics of the proposed tax transfer agreement, and whether the area meets the "disadvantaged community" threshold

established in SB 244 (Wolk). County and City staff believe that the area does not meet the threshold.

Upon motion of Uilkema, second by Tatzin, Commissioners unanimously received the report.

10. Mt. Diablo Health Care District (MDHCD) Special Study

The Executive Officer gave a brief chronology of issues leading to the special study of MDHCD's governance and operations. EPS, the firm contracted for the study, has produced a public review draft, which has been posted on the LAFCO website for review and comments, which will be accepted until 5:00 p.m. on Tuesday, December 27.

Walter Kieser with EPS, and Elliot Mulberg of E. Mulberg & Associates, provided a slide presentation overview of the District's history, operations and governance, as well as highlights from the special study, including governance options, findings and recommendations for LAFCO to consider.

Commissioners offered questions and comments relating to the governance options presented, effects of property tax following dissolution/reorganization of the District; continuation of the health care obligations for two board members;; and the process associated with the various options.

After a short recess, members of the public spoke:

Joe Rubi, private citizen and former board member of Los Medanos Community Health Care District, spoke in support of retaining MDHCD.

Karen Mitchoff, Contra Costa County District 4 Supervisor, encouraged LAFCO to consider dissolving MDHCD and naming County Service Area EM-1 as the successor agency, with a requirement that an advisory body be established to include representatives from the five cities in the District, one representative from the unincorporated communities, and one representative appointed by the District 4 Supervisor. She added that she will send her comments and suggestions in writing.

Davis Todhunter, private citizen and former member of the Contra Costa County Grand Jury (CCCGJ), supported dissolution.

Jack Weir, Pleasant Hill City Council member (not representing City Council), thanked LAFCO staff and consultants for an excellent report and supported dissolution.

Richard Soderholm, former CCCGJ member, stated that he will submit his comments in writing and supported dissolution. He also commented on the prior litigation involving MDHCD.

Frank Manske, current member of the MDHCD Board (not speaking for the Board), thanked LAFCO for the study without stating any opinion on the options presented. He noted the desire to maintain the \$1 million funding provided by John Muir Health.

Ed Birsan, Concord resident, supported dissolution and recommended that the City of Concord be named the successor agency. He commented on the lack of funding from Martinez.

Leslie Lea, representing the Contra Costa Chapter of the California Grand Jurors Association, noted that the LAFCO study and recommendations are consistent with the four CCCGJ reports, and urged dissolution.

Jeffrey Kasper, current chair of the MDHCD Board, commented that the special study is incomplete MDHCD and that the public comment period provided is too abbreviated. Given

the holiday schedule with many agencies on furlough the last week of December, the MDHCD Board feels the comment period should be extended into January.

Kris Hunt, Executive Director of Contra Costa Taxpayers Association, thanked LAFCO and the consultants for a good report, and stated that the comment timeline does not need an extension. She stated that the District has deficiencies and it is time to move forward with dissolution.

Wendy Lack, a resident in the District, also urged LAFCO to adhere to its original timeline and consider dissolution and "repurposing" of the tax dollars collected by the District to another agency such as CSA EM-1; status quo is not an option.

Chair McGill thanked members of the public for their comments and reminded all that the comment deadline is December 27.

Upon motion of Tatzin, second by Glover, Commissioners unanimously set the public hearing of the study's recommendations and action by the Commission for January 11, 2012, at 1:30 p.m. in the Board of Supervisors Chamber at 651 Pine Street in Martinez.

11. Correspondence from CCCERA, SDRMA, and CSDA

The Chair congratulated the three special districts in Contra Costa County that have to date achieved designation of "District of Distinction" by the California Special Districts Association: Kensington Fire Protection District, Pleasant Hill Recreation and Park District, and Stege Sanitary District.

12. Commissioner Comments and Announcements

Commissioner McGill acknowledged that he had attended the CALAFCO U workshop in November and thanked staff for reporting on that at the November LAFCO meeting.

13. Staff Announcements and Pending Projects

Staff had no announcements.

At 4:12 p.m., Commissioners adjourned to Closed Session to discuss employee performance evaluations and anticipated litigation.

At 5:05 p.m., Commissioners reconvened and the Chair reported that the performance review had been completed and there was nothing else to report. The meeting was adjourned at 5:06 p.m.

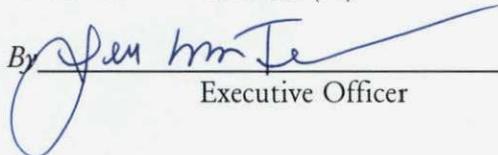
Final Minutes Approved by the Commission on January 11, 2012.

AYES: Glover, McGill, McNair, Meadows, Piepho, Schroder, Tatzin

NOES:

ABSTAIN:

ABSENT: Uilkema (M)

By  _____
Executive Officer