



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, September 12, 2012, 1:30 PM

PLACE: Board of Supervisors Chambers
651 Pine Street, Martinez, CA 94553

NOTICE IS HEREBY GIVEN that the Commission will hear and consider oral or written testimony presented by any affected agency or any interested person who wishes to appear. Proponents and opponents, or their representatives, are expected to attend the hearings. From time to time, the Chair may announce time limits and direct the focus of public comment for any given proposal.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by LAFCO to a majority of the members of the Commission less than 72 hours prior to that meeting will be available for public inspection in the office at 651 Pine Street, Six Floor, Martinez, CA, during normal business hours as well as at the LAFCO meeting.

All matters listed under CONSENT ITEMS are considered by the Commission to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Commission or a member of the public prior to the time the Commission votes on the motion to adopt.

For agenda items not requiring a formal public hearing, the Chair will ask for public comments. For formal public hearings the Chair will announce the opening and closing of the public hearing.

If you wish to speak, please complete a speaker's card and approach the podium; speak clearly into the microphone, start by stating your name and address for the record.

Campaign Contribution Disclosure

If you are an applicant or an agent of an applicant on a matter to be heard by the Commission, and if you have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months, Government Code Section 84308 requires that you disclose the fact, either orally or in writing, for the official record of the proceedings.

Notice of Intent to Waive Protest Proceedings

In the case of annexations and detachments it is the intent of the Commission to waive subsequent protest and election proceedings provided that all of the owners of land located within the proposal area have consented and those agencies whose boundaries would be changed have consented to the waiver of protest proceedings.

American Disabilities Act Compliance

LAFCO will provide reasonable accommodations for persons with disabilities planning to attend meetings who contact the LAFCO office at least 24 hours before the meeting, at 925-335-1094. An assistive listening device is available upon advance request.

As a courtesy, please silence your cell phones during the meeting.

SEPTEMBER 12, 2012 CONTRA COSTA LAFCO AGENDA

1. Call to Order and Pledge of Allegiance
2. Roll Call
3. Adoption of Agenda
4. Public Comment Period (please observe a three-minute time limit):

Members of the public are invited to address the Commission regarding any item that is not scheduled for discussion as part of this Agenda. No action will be taken by the Commission at this meeting as a result of items presented at this time.

5. Approval of Minutes for the June 29, 2012 (special) and August 8, 2012 (regular) LAFCO meetings.

SPHERE OF INFLUENCE/BOUNDARY CHANGES

6. ***LAFCO 11-05 – North Pacheco Annexation to City of Martinez:*** the Commission will receive the results of the City of Martinez August 28th special election relating to the North Pacheco annexation.
7. ***LAFCO 11-07 – Alhambra Valley Annexation to City of Martinez:*** the Commission will consider the original proposal to annex 393± acres (139 parcels), along with a reduced boundary option to annex 316.4± acres (104 parcels) to the City of Martinez. The annexation area is located southwest of the current City boundary. The LAFCO action also includes a corresponding detachment from County Service Areas L-100 and P-6. **Public Hearing (continued from July 11)**
8. ***LAFCO 12-03 - San Damiano Annexation to East Bay Municipal Utility District (EBMUD):*** the Commission will consider a proposal to annex 27.5± acres (three parcels) to EBMUD. The subject area is located in western Danville at the end of Highland Drive. **Public Hearing**

BUSINESS ITEMS

9. ***Northeast Antioch*** – the Commission will receive an update from the City of Antioch and Contra Costa County regarding the proposed annexation and strategic planning efforts for Northeast Antioch, and be asked to provide direction as appropriate.
10. ***Fire Service and Property Tax Revenue*** – the Commission will receive information regarding property tax revenue, redevelopment agency funds and impacts to fire service revenue.
11. ***Fourth Quarter Budget Report for FY 2011-12*** – the Commission will receive the fourth quarter budget report for FY 2011-12. The report compares adopted and actual expenses.

CORRESPONDENCE

12. Correspondence from Contra Costa County Employees' Retirement Association (CCERA)

INFORMATIONAL ITEMS

13. Commissioner Comments and Announcements
14. Staff Announcements
 - CALAFCO Updates
 - Pending Projects
 - Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting – October 10, 2012 at 1:30 p.m.

LAFCO STAFF REPORTS AVAILABLE AT http://www.contracostalafco.org/meeting_archive.htm

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF SPECIAL MEETING

June 29, 2012

Board of Supervisors Chambers
Martinez, CA

September 12, 2012
Agenda Item 5a

1. Chair Don Tatzin 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 Rob Schroder and Don Tatzin.

County Member Federal Glover.

Special District Members Michael McGill and Alternate George Schmidt.

Public Members Don Blubaugh and Alternate Sharon Burke.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.

4. Approval of the Agenda

Upon motion of Glover, second by Blubaugh, Commissioners adopted the agenda unanimously.

5. Public Comments

There were no public comments.

6. Approval of June 13, 2012 Meeting Minutes

Upon motion of Glover, second by McGill, the minutes for the regular meeting on June 13, 2012 were approved, with Commissioner Schroder abstaining.

7. LAFCO 12-02 – Mt. Diablo Health Care District (MDHCD) Reorganization: Detachment of Territory, Establishment of a Subsidiary District, and Amendment to the Sphere of Influence (SOI) for the MDHCD

The Executive Officer provided an overview focusing on the City's application, recommended terms and conditions and procedures. The City of Concord has applied to establish MDHCD as a subsidiary district of the City, reducing the size of the District to include the cities of Concord and Pleasant Hill, and changing the governing board from the current District board to the members of the Concord City Council. Staff noted that a tax sharing agreement between the City and County was approved, and if the Commission approves the reorganization, the reorganized MDHCD will receive approximately \$200,000 annually. Staff then reviewed recommended terms and conditions and procedural issues. Upon LAFCO approval, a public protest hearing will be held on July 30, followed by an order by the Commission at the regular August 8 meeting to finalize the reorganization.

In response to a question from Commissioner Blubaugh, staff confirmed that this timetable will avoid a costly District election in November.

Laura Hoffmeister, Concord City Councilmember, thanked the Commission and LAFCO staff for a great job and stated that the City is in full agreement with the LAFCO resolution as

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presented. She and Councilmember Dan Helix, as the members of the MDHCD Reorganization Ad Hoc Committee, have met with representatives from all affected parties.

In response to questions from Commissioner Tatzin, Ms. Hoffmeister stated that the City of Concord does not see this as a step toward dissolution. She also confirmed that she and Mr. Helix are very familiar with the reversionary agreement between the District and John Muir Health (JMH), and that their intent is to continue to work with JMH to provide quality public health services and education.

Jack Weir, Pleasant Hill City Councilmember, reported that he was speaking as a board member of Contra Costa Taxpayers' Association and as a longtime resident of MDHCD. He supports the mission of the District, thanked the District board for their cooperation in this process, and urged approval of the LAFCO resolution.

Mr. Weir also stated that Pleasant Hill Councilmember David Durant supports this LAFCO action (statement confirmed by Commissioner McGill).

Upon closure of the public hearing, Commissioner Glover complimented LAFCO staff for their great work and long hours during this process.

Commissioner Schroder asked LAFCO Legal Counsel about the waiver of the indemnification agreement; she responded that this is an utterly unique action with relatively minimal risk.

Chair Tatzin thanked both the City and the District for working closely with LAFCO and each other through the process, and commented on staff's devotion to the project.

Upon motion of Glover, second by Schroder, Commissioners unanimously adopted LAFCO Resolution No. 12-02A amending the Sphere of Influence (SOI) for MDHCD and finding the reorganization proposal consistent with the amended SOI; found the project Categorically Exempt pursuant to CEQA Sect. 15320 Class 20 (Changes to Government Organizations); found the subject territory inhabited and subject to protest proceedings; found that public notice had been provided to all affected and interested agencies and parties; approved the proposal known as the Mt. Diablo Health Care District Reorganization: Detachment of Territory/Establishment as a Subsidiary District and accepted the terms and conditions; authorized the completion of these proceedings, including protest proceedings and without an election, unless at least 25% of the registered voters within the District submit written protests to this proposal; and adopted LAFCO Resolution No. 12-02B approving the reorganization and setting forth the Commission's terms, conditions, findings and determinations. Additionally, Commissioners, at the request of the City of Concord, waived the indemnification agreement indemnifying LAFCO against expenses arising from legal actions challenging the reorganization.

8. Commissioner Comments and Announcements

Commissioner Glover acknowledged the presence of Bob Braitman, who has served as consultant to the City of Concord for the MDHCD Reorganization.

Commissioner McGill stated that he has completed his nomination forms to run in October for the CALAFCO Board seat that he currently holds. It will be on the July 11 agenda for approval by the Commission.

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9. Staff Announcements and Pending Projects

The Executive Officer stated that CALAFCO Annual Conference materials will be included in the July 11 agenda packet. Also, the CALAFCO-sponsored omnibus bill is on the Governor's desk awaiting a signature.

The meeting was adjourned at 1:50 p.m.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

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CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

August 8, 2012

September 12, 2012
Agenda Item 5b

Board of Supervisors Chambers
Martinez, CA

1. Chair Don Tatzin 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 Mary Piepho and Alternate Candace Andersen.
Special District Members Michael McGill and Dwight Meadows and Alternate George Schmidt.
Public Member Don Blubaugh.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda
Upon motion of Blubaugh, second by Piepho, Commissioners adopted the agenda unanimously.
5. Public Comments
There were no public comments.
6. Approval of July 11, 2012 Meeting Minutes
Upon motion of Glover, second by Blubaugh, the minutes for the regular meeting on July 11, 2012 were approved unanimously.
7. LAFCO 12-02 – Mt. Diablo Health Care District (MDHCD) Reorganization – Detachment of Territory and Establishment of a Subsidiary District of the City of Concord
The Executive Officer reported on the results of the protest hearing held on July 30, 2012. One written protest was received, which is an insufficient number to either trigger an election or terminate the reorganization. Therefore, the Commission shall order the reorganization.

Staff also noted that, at its final meeting in August, the MDHCD Board approved an additional \$22,500 in grants to three organizations.

Jeff Kasper, MDHCD Board Chair, reported that the OPEB annuity was finalized, and thanked LAFCO staff and Commissioners for their efforts. Chair Tatzin thanked him for his work on moving the process along.

Kris Hunt, Contra Costa Taxpayers Association Director, thanked the Commissioners and expressed her appreciation for their work.

Upon motion of Butt, second by Piepho, Commissioners unanimously authorized the Executive Officer to execute the resolution finding insufficient protests to order an election or terminate the proceedings, and order the MDHCD reorganization subject to the terms and conditions as specified in the Commission's June 29, 2012 Resolution 12-02B approving the action.

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Commissioner Piepho commented on the overall proceedings throughout the long process of this reorganization, recognizing the work of all those involved and the leadership of many, including the City of Concord, John Muir Health, board members of MDHCD, LAFCO staff, and others.

8. Fire Services Discussion

Commissioner Piepho opened the discussion by noting that since LAFCO's work on the Municipal Services Review (MSR), the challenges facing service providers have grown. Contra Costa County FPD (CCCYPD) will have a revenue measure on the November ballot; and East Contra Costa FPD's (ECCYPD) ballot measure in June failed, resulting in layoffs and station closures.

The Executive Officer provided brief background on the discussions and workshops held with, and the ongoing fiscal challenges faced by, the County's fire service providers since the 2009 Fire Services MSR. Local fire service providers are taking action to weather the ongoing fiscal storm, including cost reductions and cost recovery, pursuit of revenue options, renegotiation of service and labor contracts, staff reductions and layoffs, alternative service and staffing models, and fire station closures. The last comprehensive update from agencies to LAFCO was November 2011, and while LAFCO is unable to initiate significant changes in service and funding models, it can provide a forum for discussion.

Chair Tatzin remarked on the impacts of revenue cuts on inter-agency cooperation, and asked three questions of agency representatives: 1) Have you looked at charging any fees for services?; 2) Are there any boundary or sphere of influence changes you may wish to bring to LAFCO in the foreseeable future?; and 3) what, if any, impacts are the revenue cuts having on cross-boundary cooperation?

Lance Maples, Fire Chief for the City of El Cerrito and the Kensington FPD, reported that both agencies have adopted their 2012-13 budgets; have been working cooperatively and collaboratively with other West County agencies; have been negotiating with Local 1230 and have achieved some concessions to help balance budgets. Both agencies continue to struggle; will have to work together to create alternatives and strategies to maintain services at costs affordable to communities; and will have to ask communities to provide increases for these services. El Cerrito has approved a half-cent sales tax to support services already in place. El Cerrito and Kensington will always consider options to improve services. At this time they have had no staff reductions.

In response to a question from Commissioner Piepho, Chief Maples said that the half-cent sales tax is estimated to generate \$1.2 million; their total budget is \$8.2 million.

Belinda Espinosa, Pinole City Manager, confirmed that Station 74 continues to be browned out, and their SAFER grant is being drawn down and expires in December 2012. The City is still in discussion with Rodeo-Hercules FPD (RHYPD) and CCCYPD to negotiate a contract for services; the cities of El Cerrito and Richmond confirmed that they will not submit proposals. Public workshops were held in January and March, and the City Council has authorized staff to engage in discussions with CCCYPD regarding their proposal. The parties will meet again in August. The City will have a measure on the November 2012 ballot to extend its existing Utility Users Tax (8% for another eight years), which generates approximately \$2 million each year in General Fund revenue. CCCYPD will have revenue enhancement measures on the November 2012 ballot, and RHYPD is looking at a possible tax in 2013. Because of these pending ballot

measures, the City anticipates that any negotiated service agreement will likely be effective July 1, 2013, and expects a final decision from the City Council in early 2013.

Daryl Louder, CCCFPD Chief, reported that the District is utilizing reserve funds to continue staffing all 28 stations, but the reserve funds will be depleted by the end of FY 2012-13, in spite of significant concessions by personnel and other efforts to reduce expenses. The District's Board of Directors approved placing a parcel tax on the November 2012 ballot; without the additional revenue, the District will be forced to close seven fire stations beginning July 2013, and an additional three in 2014. The District is currently staffed at .44 firefighter per 1,000 residents. Chief Louder commented on the fragile state of auto and mutual aid and the consequences. There was further discussion on mutual/auto aid issues.

Chief Louder emphasized that while the focus is on economic issues, there is not enough attention on the consequences of service reductions and the threat to the entire system. He noted that agencies are open to consolidation; however, it will not provide much economy at this point, as all agencies have already drastically cut their budgets. Additionally, he indicated that consolidation would not improve the automatic and mutual aid systems.

Commissioner Butt commented on the inequity of resources among the County's fire service agencies, and observed that every agency's long-term plan is based on a better economy and/or new taxes. Commissioner Meadows noted his father's life was saved by a fire department, and that fire districts have done themselves a disservice by not educating the public about the diversity of their work, particularly their medical emergency response capabilities.

In response to Commissioner Blubaugh's comments and questions about the \$75 parcel tax that CCCFPD will have on the November ballot, Chief Louder stated that the figure was calculated according to all components and variables. It will sustain the District through eight years, at which time some debt will have been paid off, the economy will hopefully be improved, and the District will be more sustainable as a result.

The consequences if this tax measure fails will be the closure of 8-10 stations, a longer response time, fewer personnel, and ultimately higher fire insurance rates for residents of the District. The District does not currently meet National Fire Protection Agency standards, and has had to curtail sending units to fight wildfires in other parts of the State.

Gerald Littleton, Chief of Crocket-Carquinez Fire Protection District (CCFPD), reported that his District, as the last paid-on-call volunteer fire district in the County, is fiscally sound. It is a full partner with the surrounding fire agencies, and has a strong community with loyal volunteers. Chief Littleton stated that he feels that the discussion should really be about overall government fiscal problems and property tax support. He referenced a discussion of fire services in April of 1959; at that time there were 28 fire agencies; now there are 10. While consolidation has worked for many districts in this county, it may not work for others. Consolidation of his District with CCCFPD, for instance, would cost his District more.

In response to Commissioner Anderson's questions, Chief Littleton noted that about 73% of their calls (about 450 per year) are for medical emergencies. The chief is the only paid full-time employee; firefighters are paid \$10 per hour for calls and training, etc.

Hugh Henderson, Chief of East Contra Costa Fire Protection District (ECCFPD), reported that on July 1, 2012, ECCFPD closed three fire stations: downtown Brentwood, Knightsen, and Bethel Island, and 30 firefighters were laid off effective June 30, 2012. ECCFPD has worked with CCCFPD to develop an auto-aid agreement for like resources; has worked with the

County Emergency Medical Services (EMS) and AMR to review medical responses within the District; and received word from FEMA that it would not receive a Safer Grant for the 2011-12 fiscal year and will apply for the next round of Safer Grants for FY 2012-13.

The cities of Oakley and Brentwood are accepting applications for new board members; staggered set-term appointments will be made in lieu of holding elections. Applications are also being accepted at the District for volunteer firefighters; once the application period is closed, the Board will determine the steps to be taken to put the volunteer program in place.

In response to the Chair's questions, the Chief noted that there are no plans for changes in the District's SOI.

Eighteen months ago the District Board examined fees for services; the Board has again instructed staff to make further explorations of this option.

At this point it could take from 7- 23 minutes for units to reach a call in Discovery Bay (as the extreme example).

Commissioner Piepho thanked Chief Henderson for his service to the community and commented on the failed tax and regional service impacts, as well as financial impacts to residents and businesses in terms of insurance rates.

In response to a question about the feasibility of volunteer firefighters, Chief Henderson stated that the District runs approximately 6,000 calls per year. They need to find people willing to volunteer at that level, train them (about 240 hours of basic training), give them medical screenings, etc. The cost to start a volunteer program is about \$9,000-10,000 per person. In order to make the program viable, they will need 40-50 fully functional, fully trained volunteers. The pool of applicants to date has been fairly low, with 22 applications so far; retention is also an issue. In a volunteer program like this, the turnover rate is expected to be high.

Michael Banks, Fire Chief, City of Richmond, apologized for his late arrival due to a minor flare-up at the Chevron Richmond Refinery (following the August 6th Level 3 fire). He reported that the Department is down six positions, which will continue to be unfunded in this current fiscal year; there are currently 85 sworn personnel and four non-sworn staff. They have seven stations open, eight fire companies responding to emergencies, and 25 personnel on duty each day. The Department has been participating, with personnel from CCCFPD, El Cerrito Fire, Pinole Fire, and RHFPD, in a series of training sessions. The Department is looking into acquiring a fire boat. Auto and mutual aid relationships are good.

Stephen Healy, representing Chief Randall Bradley for Moraga-Orinda Fire District (MOFD), stressed that the District's urban-semirural-rural area presents special challenges for fire protection and EMS services demanded by its residents. To date MOFD has not experienced cuts or layoffs; 70% of the District's budget is allocated for personnel costs to serve its five stations. Of the 2,600 calls in 2011, 62% were medical emergencies. The FY 2012-13 budget has been approved, using over \$900,000 of the District's reserve fund. Fire Station 43, which is seismically unsound, is being replaced and will be completed by November 2013; and in FY 2012-13 the District will begin a major renovation of Station 41.

In response to Commissioner Piepho's question, Mr. Healy explained that the District recovers costs for responses to vehicle accidents, and nets approximately \$15-20,000 per year.

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Mr. Healy added that the impact on MOFD of the closure of the CCCFPD Lafayette station has been minimal to date; it's too early to determine any long-term impact and the District will continue to monitor.

Charles Hanley, Rodeo-Hercules FD (RHFD) Chief, noted that revenues continue to decline for the District due to property tax diversions and State take-aways. The District responds to 3-15 calls per day, and the response time is 6-15 minutes for five units to arrive at a working fire. The District was turned down on a grant proposal because it cannot meet response time standards.

Currently the City of Pinole has contracted with the RHFD for "Fire Chief and Administrative Services."

The District Board has explored additional revenue streams, and based on the results of a voter survey, may develop a revenue ballot measure for June of 2013. The District continues to explore and implement all other possible options to reduce costs and generate additional revenue. It has been heavily impacted in the past by redevelopment and the decline in property tax revenue.

In response to questions from Commissioners, Chief Hanley stated that if the District had half of the tax revenues that had been designated for redevelopment it would be fully staffed; the District is at a point of just barely functional, and if it were to experience 15 calls per day it could not function. There are fees for services in place, but they bill only those from outside of the District's area, and fees are insufficient to solve the problem.

Richard Price, San Ramon Valley FPD (SRVFPD) Chief, stated that his District is committed to providing mutual aid in the region, and has auto aid agreements in place. They charge some fees for services, including ambulance. The District's response to the economic downturn is that they are not as quickly filling vacant positions and are using reserve funds; they are able to solve their problems internally. Currently they are in negotiations on their labor contract.

Commissioner Piepho congratulated the Chief on the District's innovative services, including a program that is getting national attention and allows trained residents to dispatch responders in the vicinity of an incident.

Pat Frost, Director of Contra Costa Health Services/Emergency Medical Services (EMS), explained that EMS oversees medical services in the field (pre-hospital care) and works collaboratively with fire agencies to improve responses on all medical emergency calls; and that the fire agencies are critical for first response purposes, especially in high-risk cases of heart attacks and strokes.

Ms. Frost has been working with all of the chiefs to identify cost saving measures. Since the 2009 MSR was released, eight fire stations have closed, more are in danger of closure, and many agencies are balancing their budgets with reserve funds. The question is how well we want to protect the public safety net; at a certain point the EMS system could be irreparably harmed. Ambulances alone cannot fulfill first response needs in the same way that a combination of fire agency resources and ambulances can.

Leslie Mueller, General Manager of American Medical Response (AMR), stated that AMR relies on fire agencies to get to medical emergencies first. AMR covers 99% of the County with 350 staff members who are distributed throughout the County to respond flexibly and quickly; they are often housed at fire stations. On July 1, in response to ECCFPD's reductions, AMR placed

a Quick Response Vehicle (QRV) with one person on Bethel Island. Not including QRVs, AMR has 42 units deployed in peak time periods, and 37-38 in off-peak times.

Vince Wells, President of United Professional Firefighters of Contra Costa County Local 1230, which represents personnel at six of the ten fire agencies, stated that ECCFPD has had budget problems since its inception, and now other districts are also having increasing difficulty with their budgets. Since 2010, nine stations have been closed or destaffed. In El Cerrito, concessions have twice been made by Local 1230. The workload on all personnel represented by Local 1230 has increased a great deal with layoffs. Local 1230 is in a contract with CCCFPD until 2014; has no contract with the City of Pinole; is in negotiations leading to a possible agreement with MOFD; has set dates for negotiations with ECCFPD; and has a long-term contract in place with El Cerrito.

In response to Commissioner questions, Mr. Wells stated that depending on the fire district, Local 1230 gets up to 300 applicants for any vacancies. Often, once applicants have tested, they will go to larger, more stable fire districts elsewhere outside of Contra Costa County.

Commissioners agreed that the situation is unnerving and dire, and that it is not financially viable nor operationally viable. The public has come to rely on fire service agencies to respond to all emergencies that are not police related. Ten years ago consolidation could have been discussed as a cost-saving measure, but that is no longer the case. It has been a disservice to the public that fire protection districts were not renamed something like “all-hazard response districts” that would more clearly reflect what the districts actually do. The public needs to engage and recognize that the districts are very vulnerable.

It was agreed that LAFCO should continue to serve as a forum and clearinghouse for an ongoing conversation.

Chief Maples encouraged LAFCO Commissioners to stay fully engaged. The local agencies need this platform, and should be invited back for additional open discussions regularly.

Commissioner Piepho asked if the multi-year comparisons on cities’ assessed values could be updated with a total percentage of changes from 2008-09 to 2012-13, and additional information regarding the impacts of recent redevelopment legislation on revenue designated for fire protection services.

9. Response to Contra Costa County Grand Jury Report No. 1211 – “Contra Costa County Fire Protection and Emergency Services, Leveraging Combined Strengths to Address Individual Weaknesses”

The Executive Officer noted that LAFCO received the Grand Jury report on June 7, and that a response is due no later than September 6. The draft response was provided for Commissioners’ consideration.

Upon motion of Piepho, second by Blubaugh, Commissioners unanimously approved the response to Grand Jury Report No. 1211 and directed staff to forward prior to September 6.

10. Library Services MSR Update

The Executive Director reported that the MSR consultant has worked with County Library staff and the City of Richmond to obtain a substantial amount of new information. Also, the consultant conducted site visits to the Richmond, Bay Point, Pittsburg, Antioch, Walnut Creek, and San Ramon libraries. The Public Review Draft will be ready for release in September or October.

Upon motion of Piepho, second by Blubaugh, Commissioners unanimously received the report.

11. Correspondence

There were no comments on the correspondence.

12. Commissioner Comments and Announcements

Commissioner Piepho reminded Commissioners to submit their information to staff for the CALAFCO Annual Conference.

13. Staff Announcements and Pending Projects

The Executive Officer had no further announcements.

The meeting was adjourned at 4:17 p.m.

Final Minutes Approved by the Commission on September 12, 2012.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

DRAFT



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Don Tatzin
City Member

Dwight Meadows
Special District Member

Mary N. Piepho
County Member

Rob Schroder
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member

Sharon Burke
Public Member

Tom Butt
City Member

George H. Schmidt
Special District Member

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 6

Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine Street, Sixth Floor
Martinez, CA 94553

North Pacheco Annexation to the City of Martinez - Election Results

Dear Commissioners:

On January 11, 2012, the Contra Costa LAFCO approved the North Pacheco Annexation to the City of Martinez. The inhabited annexation area consists of 252 parcels totaling 99± acres.

The annexation had less than 100% landowner/voter consent; consequently, on March 6th, a protest hearing was held at which time the requisite number of registered voters filed written protests against the annexation (i.e., over 25% but less than 50%). The protest forms were certified by the County Elections office.

On April 11, LAFCO ordered the annexation subject to confirmation by the voters. On August 28th, the City of Martinez conducted a mailed ballot election on the question of annexation (Measure T). The final vote as confirmed by County Elections on August 29th was 39 YES and 40 NO, thus the measure failed.

Pursuant to Government Code sections 56020.7 and 57179, LAFCO must issue a Certificate of Termination.

RECOMMENDATION

Authorize the LAFCO Executive Officer to execute the attached Certificate of Termination.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment: Certificate of Termination

c: Phil Vince, City Manager, City of Martinez

CONTRA COSTA LOCAL AGENCY FORMATION CERTIFICATE OF TERMINATION OF PROCEEDINGS

The following proposal entitled:

North Pacheco Annexation to the City of Martinez (LAFCO 11-05): proposed annexation of 252 parcels (99± acres) bounded by State Route 4 to the south, Interstate 680 to the east, and the southeastern boundary of the City of Martinez to the west.

Has been terminated due to

- MAJORITY WRITTEN PROTEST PURSUANT TO GOVERNMENT CODE SECTION 57078.
- REJECTION BY VOTERS IN AN ELECTION PURSUANT TO GOVERNMENT CODE SECTION 57179 (see attached Canvass for the City of Martinez Measure T).

I hereby certify that as Executive Officer for the Contra Costa Local Agency Formation Commission, the above listed proposal is terminated pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

LOU ANN TEXEIRA
EXECUTIVE OFFICER

September 12, 2012

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 7

On July 11, 2012, LAFCO opened and continued the public hearing on the Alhambra Valley Annexation to the City of Martinez to September 12, 2012. The City requested that the hearing being continued.

On August 22, the City of Martinez held a special City Council meeting, at which time a majority of the City Council directed its staff to amend the boundary map of the current application for the Alhambra Valley annexation and to convey the preferred reduced boundary to LAFCO (Attachment 1).

The July 11th LAFCO staff report has been updated to include discussion of the reduced boundary option as follows.

LAFCO 11-07 Alhambra Valley Annexation to the City of Martinez

PROPONENT City of Martinez - Resolution No. 117-10 adopted December 1, 2010

ACREAGE & LOCATION The annexation area, as originally proposed, totals 393± acres (139 parcels) and is generally bounded by the City's current corporate boundary to the north, single-family homes and undeveloped hills to the east, Alhambra Valley Road and Briones Regional Park to the south, and undeveloped hills and rangeland to the west (see Attachment 2).

The reduced boundary option is approximately 316.4± acres (104 parcels) and includes Alhambra Valley Ranch, Stonehurst, Deer Creek and Valley Orchard subdivisions.

PURPOSE The purpose of the annexation is to extend municipal services to the area. The proposed annexation is in accordance with LAFCO law, LAFCO policies, and the LAFCO sub-regional and water/wastewater Municipal Service Reviews (MSRs) which identified out of agency water service as a concern and encouraged the City to annex areas currently receiving water service as appropriate. The Commission will also consider the corresponding detachment of the area from County Service Areas (CSAs) L-100 and P-6.

INTRODUCTION

In 1995, the City first began the process to annex the Alhambra Valley. In the last several years, the City resumed its analysis of the feasibility of annexing Alhambra Valley. Various land use, fiscal and environmental studies were prepared; and public hearings were held by the City's Planning Commission and the City Council.

In 2010, the City's Planning Commission reviewed and denied the proposed land use regulations related to the proposed annexation. The Planning Commission expressed concerns that the area proposed for annexation did not include all of the area covered by the Alhambra Valley Specific Plan (AVSP), and with the proposed General Plan updates in relation to timing of the City's General Plan update program. Subsequently, the City Council directed its staff to proceed with the annexation of a portion of the Alhambra Valley based on existing and future service needs and other factors as discussed below.

DISCUSSION

The Cortese Knox Hertzberg Act (CKH Act) sets forth factors that the Commission shall consider in evaluating any proposed change of organization or reorganization as discussed below (Government Code §56668). In the Commission's review and evaluation of these factors, no single factor is determinative; each is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence of Any Local Agency:

LAFCO is charged with both regulatory and planning functions. Annexations are basically a regulatory act, while establishing spheres of influence (SOIs) is a planning function. The SOI is an important benchmark as it defines the primary area within which urban development is to be encouraged. In order for the Commission to approve an annexation, it must be consistent with the jurisdiction's adopted SOI.

The annexation area, both the original and the reduced boundary option, are within the City of Martinez's SOI and within the adopted countywide Urban Limit Line (ULL). The City has excluded certain areas from the proposed annexation for various reasons as explained below, which results in some boundary irregularities.

2. Land Use, Planning and Zoning - Present and Future:

Existing land uses within the Alhambra Valley are subject to the Contra Costa County General Plan and Zoning Regulations, and the Alhambra Valley Specific Plan (AVSP). The annexation area contains primarily single-family residential and agricultural uses. The County and City General Plan and zoning designations are summarized below. The City's land use designations are generally in accordance with the AVSP. In order to achieve consistency with existing zoning regulations, the City created three new zoning districts specific to the Alhambra Valley.

County General Plan	City General Plan
AL (Agricultural Lands)	AL (Agricultural Lands)
OS (Open Space)	OS (Open Space)
SV (Single-Family Residential - Very Low)	ER-VL (Estate Residential – Very Low)
SL (Single-Family Residential – Low)	ER-L (Estate Residential – Low)
County Zoning	City Zoning
A-2 (General Agricultural)	AV/A-5 (Agriculture District)
R-20 (Single Family Residential -minimum lot size 20,000 sq. ft.)	AV/R-20 (Single-Family District; minimum lot size 20,000 sq. ft.)
R-40 (Single Family Residential -minimum lot size 40,000 sq. ft.)	AV/R-40 (Single-Family District; minimum lot size 40,000 sq. ft.)
P-1 (Planned Unit)	

Most of the territory the City is looking to exclude from the annexation under the reduced boundary option is zoned AV/R-40 with the exception of one area designated AV/A-5 and another property zoned AV/R-20.

While the annexation proposal does not propose any new development, the County is currently processing three development projects in the southeast area (i.e., in the area that would be outside the annexation area based on the City's reduced boundary option). The development projects include the Alhambra Valley Oaks (Busby property) 23-lot residential subdivision (SD02-8634), a 7-lot subdivision (Busby property) (SD05-8947), and the Creekside Oak Estates 7-lot residential subdivision (SD90-7609).

According to the County, municipal sewer service is needed to serve the projects as it is the only means of complying with the County Health Code, thus sewer services would be provided by Central Contra Costa Sanitary District (CCCSD). The properties were annexed to CCCSD in 2007 (CCCSD Annexations 168A and 168B). The County's conditions of approval specify that water service is to be provided by the City of Martinez. The properties currently have no water service as discussed below.

County staff reports that both the Busby projects have approved vesting tentative subdivision maps which will expire in 3-4 years. City staff indicates that these properties do **not** have a Deferred Annexation Agreement (DAA) and have no water infrastructure or service through Martinez. In 2005, the City provided a letter to the landowner/developer stating that Martinez can provide water service to the projects if certain conditions are met. The City reports that no improvements plans have been submitted, no physical work has been completed, the City's conditions have not yet been met, and consequently there is no water service to these properties.

The Creekside Oaks Estates project has an original map filed in 2004, and a revised recorded map filed in 2010. According to City staff, this property is subject to a DAA. In 2003, the City provided a letter to the County indicating that Martinez can provide water service to the project if certain conditions are met. City staff indicates that the conditions have largely been met. The City's authority to provide water absent annexation or through out of agency service is questionable.

Land uses surrounding the annexation area include open space and cattle grazing to the east, west, north and south; John Muir National Historic site to the north; and Briones Regional Park and rural residential to the south.

In conjunction with the 2007 annexation of a portion of the Alhambra Valley to the CCCSD, there is the potential for future development in the original annexation area, and an increase in housing units in accordance with the AVSP. There is limited development potential in the reduced boundary as discussed below.

The current and proposed uses are consistent with the County and City General Plans and zoning designations. No additional changes in land uses are proposed. No subsequent changes may be made to the General Plan or zoning for the annexation area that is not in conformance to the

rezoning designations for a period of two years after the completion of the annexation, unless the City Council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the LAFCO (Gov. Code §56375).

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands:

No Prime Farmlands or Williamson Act contract lands are located within the annexation areas. Many of the properties in the annexation area contain small vineyards, small orchards, and a horse farm; however, this agricultural activity is not considered commercial. The proposal will not result in the conversion of farmland to non-agricultural uses.

4. Topography, Natural Features and Drainage Basins:

The annexation area is located in the relatively rural Alhambra Valley and Alhambra Creek watershed. The topography is characterized by both gently and steeply sloping hills. Vegetation consists of native oak woodland, natural grasses, residential landscaping, and small vineyards and orchards. Alhambra Creek roughly parallels Alhambra Valley Road through the proposed annexation area.

The proposal area is located in the San Francisco Bay Area approximately three miles south of Suisun Bay and the Carquinez Strait; and situated within the Briones Hills which are part of the Northern California Coast Range province.

5. Population:

There are approximately 127 dwelling units within the original annexation area – all of which are single-family homes on low-density residential lots. There is the potential to add approximately 32 single-family residential units in the annexation area which would result in a projected population increase of approximately 80 people.

In the reduced boundary area, there are approximately 82 dwelling units all of which are single-family homes on low-density residential lots, and there are approximately seven vacant lots. There is the potential to add approximately seven single-family residential units which would result in a projected population increase of 17± people.

6. Fair Share of Regional Housing:

One of the factors LAFCO must consider in its review of a proposal is the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Regional housing needs are determined by the State Department of Housing and Community Development; the councils of government throughout the State allocate to each jurisdiction a “fair share” of the regional housing needs (Gov. Code §65584).

In Contra Costa County, the Association of Bay Area Governments (ABAG) determines each city's fair share of regional housing needs. Each jurisdiction is required in turn to incorporate its fair share of the regional housing needs into the housing element of its General Plan. In June 2008, ABAG released the Proposed Final Regional Housing Needs Allocation (RHNA) Plan for the period 2007-14. The City reports that its total RHNA for 2007-2014 is 1,060 units. Of that, 454 are market rate and 606 are affordable (i.e., 179 moderate, 166 low and 261 very low).

Any new housing units in the annexation area are likely to meet the above moderate income category given the allowed minimum lot size.

7. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

Pursuant to Government Code §56653, whenever a local agency submits an annexation application, the local agency must also submit a plan for providing services to the annexation area. The plan shall include all of the following information and any additional information required by LAFCO:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The City's "Plan for Providing Services within the Affected Territory," as required by Government Code §56653, is on file in the LAFCO office. The level and range of services will be comparable to those currently provided within the City.

The original area proposed for annexation contains 139 parcels; and the reduced boundary annexation area contains 104 parcels. The City will provide a range of municipal services to the area, including police, streets and infrastructure maintenance, stormwater, parks and recreation and other city services. Fire services will continue to be provided by the Contra Costa County Fire Protection District, treated water services will be provided by the City of Martinez, and sewer services will be provided by the Central Contra Costa Sanitary District and County Sanitation District No. 6 (Stonehurst subdivision only).

Following annexation, the City will provide municipal services to the area, including police and road maintenance, and the County will no longer provide these services.

The Martinez Police Department (PD) has 52 full time positions (i.e., 37 sworn, 16 support). The PD is supplemented by a volunteer program, two part-time Cadets, four Explorer volunteers, and eight police officers reserves.

The PD provides a full range of law enforcement services including patrol, dispatch (911), crime prevention, parking and traffic control, community policing, community awareness, and investigations. The PD has a Special Weapons and Tactics (SWAT) Team, a K-9 unit, a temporary holding facility, and conducts training. Martinez PD is also involved in various regional affiliations including the East Bay Regional Communication System, the Contra Costa Mobile Field Force, the Regional Crime Lab, and the Sheriff's Automated Regional Information Exchange System database.

The Martinez PD relies on the County Sheriff's Office (SO) for search and rescue services, long-term holding facilities and Animal Control, and the City of Walnut Creek for bomb squad services. The SO also provides emergency response in the event of a disaster within the City pursuant to a mutual aid agreement.

The City has established Neighborhood Policing Areas (NPA's) in which a police officer is assigned to each of the 24 NPA's to facilitate direct contact with residents or businesses within the NPA. The NPA officer serves as the liaison for the assigned area, and is available for neighborhood meetings, crime prevention issues, and to talk with residents about how the City can help improve the neighborhood.

The City of Martinez maintains over 122 miles of City streets and over 11 acres of public medians; the City does not maintain private roads. The City uses a combination of local and State funding to fund road improvements. In addition, the City and County periodically participate in joint road improvement projects.

The City and County have entered into a tax sharing agreement which provides for an exchange of property tax, and includes provisions related to two current residential development projects as previously approved by the County (i.e., fees, permits). City and County staff indicate that the reduced boundary option will not alter the tax exchange agreement.

Following annexation, the City of Martinez will provide municipal services to the annexation area, and the County will no longer provide these services. Consequently, if the Commission approves the original annexation, detachment from CSAs P-6 (police services) and L-100 (street lighting) should occur; and if the Commission approves the reduced annexation boundary, detachment from P-6 should occur. The effect of such detachments will result in the CSA's allocation of ad valorem property tax (1%) being transferred from the County to the City following annexation. Also, following detachment from P-6, any special taxes/ assessments associated with a P-6 zone would cease.

8. Timely Availability of Water and Related Issues:

The annexation area is within the City's water service area. Martinez provides water treatment and distribution services for residential, commercial, industrial, public and irrigation customers, as well as for fire protection uses. The City's sole source of water supply is untreated water purchased from Contra Costa Water District (CCWD). The City takes delivery of the water from the Martinez

Reservoir, a terminal reservoir for the Contra Costa Canal. The City's water treatment facilities have a total filtration capacity of 14.7 million gallons per day (mgd). Average daily water use in 2011 was 4.16 mgd. The City's water system includes eleven treated water storage reservoirs with a capacity of 9.6 million gallons (MG).

The CCWD supplies untreated water to the annexation area. CCWD provides wholesale and retail water, and serves an area of 220+ square miles and approximately 550,000 people. Water service includes production, distribution, retail, treatment, recycling and conservation services. The CCWD's primary source of water supply is the United States Bureau of Reclamation's Central Valley Project.

The proposed annexation would have no effect on water usage, and would not lead to the construction of new or expansion of existing water facilities.

As noted in the 2008 LAFCO MSR report, the City is providing water service to areas outside the corporate boundaries of Martinez but within the water service boundary affirmed by the City in October, 1987. In 1987, the City Council adopted Resolution No. 169-87, requiring properties contiguous to the City boundary to complete annexation prior to receiving water service. Those properties that are not contiguous must execute a DAA, with annexation to occur at a time determined by the City Council. The City serves an estimated 1,499 accounts that are outside the City's corporate boundaries; the majority of these were established prior to 2001.

Government Code §56133 requires local agencies to receive approval from LAFCO to extend municipal services outside their jurisdictional boundaries; this does not apply to service that a city or district was providing on or before January 1, 2001. The statute provides that, "A city or district may provide new or extended service by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from the Commission." Further, the Commission may authorize a city or district to provide new or extended services under specific conditions: a) outside its jurisdictional boundaries but within its SOI *in anticipation of a later change of organization* (i.e., annexation); or b) outside its jurisdictional boundaries and outside its SOI *to respond to an existing or impending threat to public health or safety*.

In accordance with LAFCO law and local LAFCO policies, LAFCO encourages local agencies to annex properties receiving out of agency service, as appropriate.

The discussion above highlights the concerns that would affect current development projects if they are removed from the proposed annexation under the reduced boundary option, and the provision of future water service to these serve these projects.

9. Assessed Value, Tax Rates and Indebtedness:

The original annexation area is within tax rate areas (TRAs) 76001, 76004 and 76022. The assessed value is \$218,850,030 (2010-11 roll). The reduced boundary area is within TRA 76004 and the assessed value is \$95,665,133 (2010-11 roll). The territory being annexed shall be liable for

all authorized or existing taxes comparable to properties presently within the annexing agencies, including the City's Measure H park bonds approved by the voters in 2008 [Gov. Code §56886(t)].

10. Environmental Impact of the Proposal:

As Lead Agency under CEQA, the City of Martinez adopted a Negative Declaration for the Alhambra Valley Annexation Project on December 1, 2010. The LAFCO Environmental Coordinator has reviewed the document and finds it adequate for LAFCO purposes.

Copies of the environmental document were previously provided to the members of Commission and are available for review in the LAFCO office.

11. Landowner Consent and Consent by Annexing Agency:

According to County Elections, there are more than 12 registered voters in the area proposed for annexation; thus, the area is considered inhabited.

Less than 100% of the affected landowners/voters have provided written consent to the annexation. Thus, the Commission's action is subject to notice, hearing, as well as protest proceedings. All landowners and registered voters within the original proposal area and within 300 feet of the exterior boundaries of the original proposal area received notice of the July 11, 2012 hearing. Also, although not required by law, LAFCO mailed a second notice regarding the September 12th hearing and reduced boundary option to all landowners/voters within the original proposal area and within 300 feet of the exterior boundaries of the original proposal area.

As of this writing, LAFCO has received written and verbal objections from approximately 11 affected registered voters/landowners, several of whom have signed DAAs. Given the objections received, a protest hearing may be required (Gov. Code §56663). If the Commission approves the reduced boundary option, a protest hearing will be required if any landowner/voter within the reduced boundary area, and not subject to a DAA, objects to the annexation.

12. Boundaries and Lines of Assessment:

Both the original and the reduced boundary annexation areas are contiguous to the existing City boundary. Both the original and reduced boundary annexation areas contain one split parcel (APN 367-230-025). The reason for the split parcel is that a portion of the parcel is outside the voter approved ULL, and the City is precluded from annexing property to the City which is located outside the ULL in accordance with the provisions of Measure J without jeopardizing the City's share of local transportation funding.

A map and legal description to implement the original boundary change have been received and are being reviewed by the County Surveyor. A map and legal description for the reduced boundary option are being prepared by the City and are subject to review and approval by the County Surveyor.

The boundaries as originally proposed and under the reduced boundary option are irregular. The criteria the City used in determining the boundary configuration are as follows:

- Within the City's SOI as required by statute
- Contiguity to the City limits as required by statute
- Within the countywide voter approved ULL as required by Measure J
- Properties with signed DAAs – of the 139 parcels originally proposed for annexation 83 properties currently receive City water service (Attachment 3) and 112 have signed DAAs. According to City staff, of the 104 parcels within the reduced boundary option, 82 currently receive City water service and 99 have signed DAAs
- In accordance with recommendations contained in the LAFCO sub-regional and water/wastewater MRSs
- Avoid parcel splits (Attachment 4)
- In accordance with the desires of the residents, including both those desiring to be annexed to the City as well as those who do not wish to be annexed to the City

On August 22nd, the Martinez City Council discussed the proposed annexation boundary and directed its staff to convey to LAFCO the City's preference for a reduced boundary.

The City indicates that its request for a reduced boundary is to respond to community input while maintaining consistency with the Martinez General Plan and the LAFCO MSR. The Martinez General Plan includes a policy stating that all developed but presently unincorporated areas within the City's SOI should be annexed to the City to ensure an equitable tax distribution and cohesive neighborhood units for public service purposes. Unincorporated and inhabited territory within the Alhambra Valley is served by a mix of special districts and CSAs. The City notes it is already providing urban services to much of the developed area of Alhambra Valley, even areas outside the City's municipal boundary.

As noted in the LAFCO MSR, the City is providing water services beyond its corporate limits to approximately 1,500 water connections. These 1,500 water connections represent residents who do not have representation concerning policy, rates, or governance of their water supply. The City notes that the intent of the annexation boundary revision is to incorporate the developed properties already receiving urban water service, while eliminating areas not currently developed. The City believes this change will be responsive to community concerns while maintaining consistency with the General Plan and LAFCO policies, and will increase the likelihood of success of the proposed annexation.

In response to the City's action on August 22nd regarding the reduced boundary option, LAFCO received two letters dated August 29, 2012: one from the Alhambra Valley Improvement Association (AVIA) and one from John A. Ricca property owner at 111 Vaca Creek Way (Attachment 8). Both parties request modifications to the reduced boundary option, including the removal of properties located at 5370 Alhambra Valley Road and 101, 111 and 121 Vaca Creek Way from the annexation area. A map depicting these properties is attached (Attachment 9).

Boundaries and lines of assessment are one of 15 factors the Commission must consider in its review of a proposal. LAFCO has the authority to amend the proposed annexation boundaries (Gov. Code §56375). In accordance with LAFCO's mission, LAFCO staff concludes that areas receiving and requiring city services should be annexed to the City.

13. Environmental Justice

Beginning January 1, 2008, Government Code §56668(o) requires that LAFCO consider the extent to which proposals for changes of organization or reorganization will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

Neither the original nor the reduced boundary annexation options are expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

14. Comments from affected landowners, voters and residents

As of this writing, LAFCO has received written and verbal objections from 11 affected registered voters/landowners; consequently, a protest hearing is required. LAFCO has also received objections from several landowners/voters who reside outside the annexation area.

In addition, on July 2, 2012, LAFCO received correspondence from the AVIA (Attachment 5) expressing concerns with the proposed annexation. The concerns deal primarily with the annexation boundary, municipal service and fiscal issues. LAFCO staff has addressed these issues in the staff report.

As stated in their letter, the AVIA is representing an unincorporated group of Alhambra Valley residents who oppose the City's plans for the proposed annexation and who own property developed prior to 1987 at which time the City instituted DAAs. It is unclear as to how many of these residents are affected landowners or registered voters (i.e., own property and/or reside in and are registered voters within the annexation area).

At the July 11 LAFCO hearing, 17 individuals spoke in opposition to the annexation. Of these, 11 reside **outside** the annexation boundary, and six reside within the original annexation boundary. It appears that several of the individual who spoke in opposition to the annexation reside within the area proposed for removal under the reduced boundary option.

Also, as noted above, there are two requests that specific properties be removed from the reduced boundary option.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following options:

Option 1 Approve the original annexation boundary including the amendment to detach the annexation area from CSAs P-6 and L-100.

This option proposes to annex 139 parcels, of which 112 properties are subject to a DAA, and 83 receive City water service. This option proposes to bring a greater number of properties into the City than the reduced boundary option, including the three properties currently under development which will require City water service. However, there is the potential for a greater number of affected landowners/voters to protest this annexation, which could result in a vote and possible termination of the annexation.

The Commission's approval of Option 1 is subject to the following actions:

- A. The Commission, as a Responsible Agency, determines that it has reviewed and considered the environmental determinations prepared by the Lead Agency – City of Martinez – contained in the *Alhambra Valley Annexation Initial Study/ Negative Declaration*.
- B. Adopt this report and the attached resolution (Attachment 6) approving the proposal to be known as the **Alhambra Valley Reorganization: Annexation to the City Martinez and Concurrent Detachment from CSA P-6 and CSA L-100 (TRA 76001)** subject to terms and conditions including the following:
 1. That the subject territory shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 2. That the City has delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
- C. Find that the proposal has less than 100% landowner/voter consent; and is subject to a protest hearing. Contra Costa LAFCO is designated to conduct the protest hearing, the authority for which has been delegated to the LAFCO Executive Officer, who shall give notice and conduct a public hearing on the matter pursuant to the Government Code.

Option 2 Approve the reduced annexation boundary option including the amendment to detach the annexation area from CSA P-6.

This option proposes to annex 104 parcels, of which 99 properties are subject to a DAA, and 82 receive City water service. This option proposes to bring fewer properties into the City than under the original boundary proposal, and excludes the three properties currently under development which will require City water service. However, there is the potential for fewer affected

landowners/voters to protest this annexation, which could increase the potential for a successful annexation.

The Commission's approval of Option 2 is subject to the following actions:

- A. The Commission, as a Responsible Agency, determines that it has reviewed and considered the environmental determinations prepared by the Lead Agency – City of Martinez – contained in the *Alhambra Valley Annexation Initial Study/ Negative Declaration*.
- B. Adopt this report and the attached resolution (Attachment 7) approving the proposal to be known as the **Alhambra Valley Reorganization Reduced Boundary Option: Annexation to the City Martinez and Concurrent Detachment from CSA P-6** subject to terms and conditions including the following:
 1. That the subject territory shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 2. That the final map and legal description are subject to approval by the County Surveyor.
 3. That the City has delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
- C. Find that the proposal has less than 100% landowner/registered voter consent; and is subject to a protest hearing. Contra Costa LAFCO is designated to conduct the protest hearing; the authority for which has been delegated to the LAFCO Executive Officer, who shall give notice and conduct a public hearing on the matter pursuant to the Government Code.

Option 3 Adopt this report and deny the proposal.

- A. Certify it has reviewed and considered the information contained in the Initial Study/Negative Declaration as prepared and adopted by the City of Martinez.

Option 4 Continue the matter to a future meeting

RECOMMENDED ACTION:

Option 4. Given the complexities relating to water service and the various boundary options proposed by the City and others, staff feels that additional information is needed.

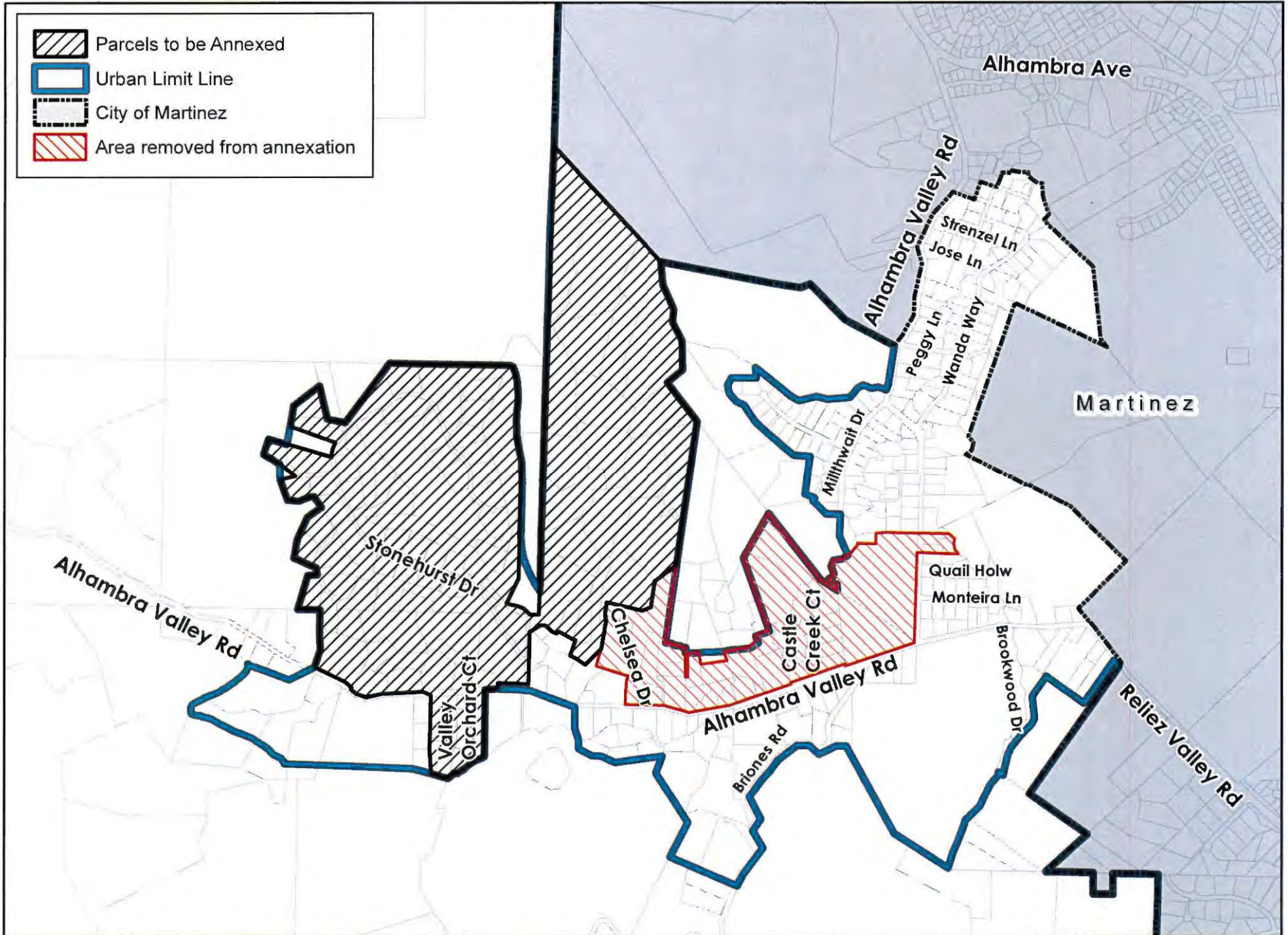
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

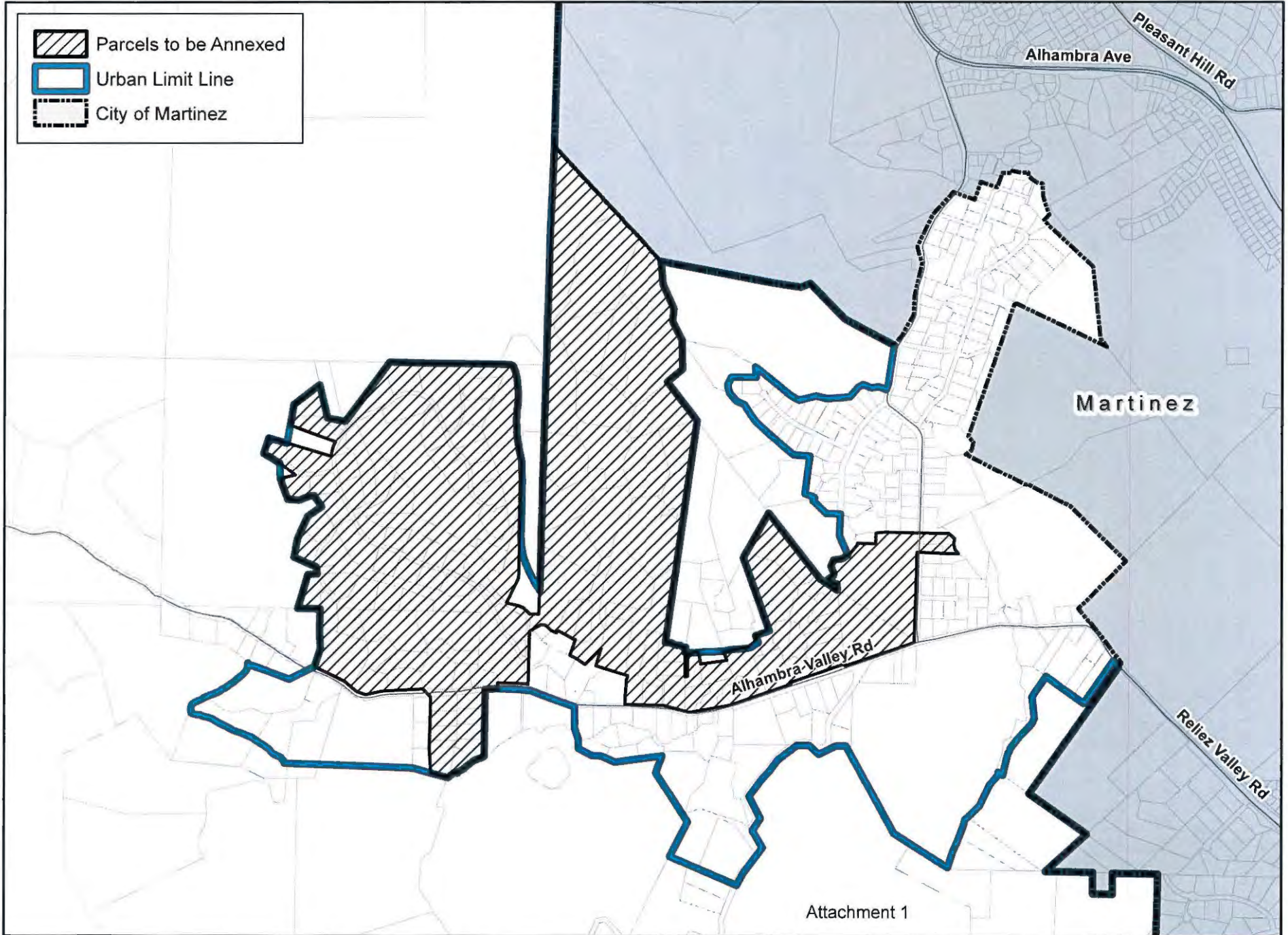
c: Distribution

Attachments

1. Map of Reduced Boundary Option
2. Map of Original Annexation Area
3. Map Showing Deferred Annexation Agreements
4. Map Showing Parcels Split by the Annexation
5. Correspondence from the Alhambra Valley Improvement Association – July 2012
6. Draft LAFCO Resolution – Original Boundary Option
7. Draft LAFCO Resolution – Reduced Boundary Option
8. Communications dated August 29, 2012 from AVIA and John A. Ricca Requesting Modifications to the Reduced Boundary Option
9. Map of Reduced Boundary Option with Other Properties Proposed for Removal

LAFCO No. 11-07: Alhambra Valley Annexation to City of Martinez - Reduced Boundary Option

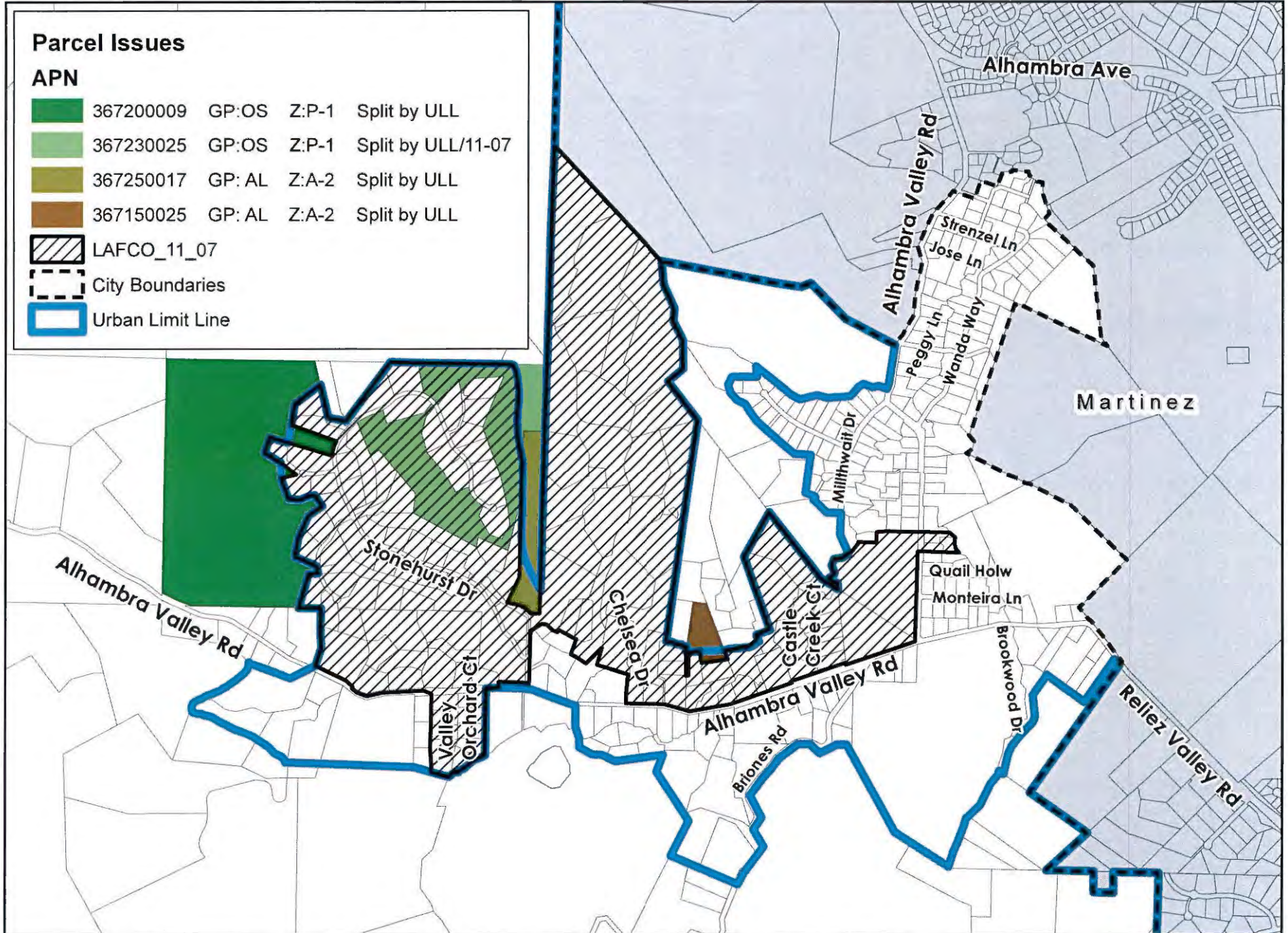




Attachment 1



LAFCO No. 11- 07: Alhambra Valley Annexation to City of Martinez




Parcel Issues

APN

	367200009	GP:OS	Z:P-1	Split by ULL
	367230025	GP:OS	Z:P-1	Split by ULL/11-07
	367250017	GP:AL	Z:A-2	Split by ULL
	367150025	GP:AL	Z:A-2	Split by ULL

 LAFCO_11_07

 City Boundaries

 Urban Limit Line



ALHAMBRA VALLEY IMPROVEMENT ASSOCIATION

TO: Lou Ann Texeira, Executive Director of LAFCO
LAFCO Commissioners

FROM: Alhambra Valley Improvement Association (“AVIA”)

RE: The City of Martinez’s Proposed Piecemeal Annexation of the Alhambra Valley

Part I: DESCRIPTION OF AVIA

The Alhambra Valley Improvement Association (“AVIA”) is an unincorporated group of Alhambra Valley residents who oppose the City’s plans for the proposed annexation. Hal Olson is the president of AVIA.

Part II: LEGAL REPRESENTATION

Two years ago AVIA retained Allan Moore and Brian Mulry of Gagen/McCoy in Danville to represent members of AVIA who have not signed Deferred Annexation Agreements with the city.

In 2010, Allan Moore met with Karen Majors, Assistant City Manager of Martinez at the time, AVIA officers and Lou Ann Texeira. Brian Mulry represented AVIA at the Planning Commission Meetings and the City Council Meeting. Both attorneys have written letters to the city during the course of the annexation process. (True and correct copies of those letters are attached hereto at **Exhibit A.**) Mr. Moore and Mr. Mulry continue to work with AVIA in its opposition to the City’s proposed annexation.

PART III: BACKGROUND

Two members of the Martinez City Staff and one consultant have been in charge of the annexation proposal for Alhambra Valley:

1. Karen Majors, Assistant City Manager, helped initiate the proposed Annexation in 2009 and retired in mid-year, 2010.
2. Terry Blount, Planning Manager, took over in 2010. He was in charge during the Planning Commission Meetings and the City Council Meeting when the annexation came before both hearing bodies. In the summer of 2011, Mr. Blount’s services were cut back to half-time. From what we understand, Mr. Blount will no longer be a City employee in the summer of 2012. We understand that at this time he may work with the City in a limited capacity from another geographical location, and that he is no longer in charge of the annexation.

3. Dina Tasini, who we understand is an independent consultant, is now in charge of the annexation.

The Martinez City Council has named two council members (Council members Mike Menesini and Lara Delaney) to the Ad Hoc Alhambra Valley Annexation Committee. It appears that the meetings are unannounced and there are no minutes of meetings.

The City Council hired CH2M Hill to do the Initial Study of the Alhambra Valley annexation proposal. The Initial Study divided the Valley into three Areas:

Area A: All parcels west of the Intersection at Reliez Valley Road & Alhambra Valley Road

Area B: Millthwait/Gordon, Millican Court & part of Alhambra Valley Road

Area C: All county area east of Alhambra Valley Road from Sheridan Lane south and east to the city boundary line on Reliez Valley Rd.

PART III: AVIA'S ARGUMENTS AGAINST ANNEXATION

1. LAFCO Should Attempt to Annex All of Alhambra Valley, or Annex Nothing, to Avoid Piecemeal Pockets of Unincorporated Areas

Alhambra Valley is a serene, peaceful and unified geographic area. It is nestled between Mount Wanda to the north and Briones Park to the south. The annexation isolates the north-western half of the Valley by needlessly dividing cohesive neighborhoods into separate political boundaries and violating proper planning and best management practices. It leaves a small group of county homes completely surrounded by the City's proposed Annexation, creating islands or "pockets" of unincorporated areas.

The City should be attempting to annex the Valley in its entirety to avoid governmental overlapping and preserve geographic unity. Karen Majors, former Assistant City Manager who was formerly tasked with the proposed Annexation, stated to Mr. and Mrs. Olson in 2009: "In my talks with the county they thought it [the Valley] should be totally annexed or not at all."

2. The City has repeatedly gerrymandered boundaries in Alhambra Valley. Gerrymandering is an "unfair, politically divisive process."

In the 2009 Dec. 8 Staff Report to the Martinez Planning Commission, Karen Majors stated: "City staff is proposing an annexation area that contains mostly property owners with Deferred Annexation Agreements such that the 25% protest level is not exceeded." (City Staff Report, p.2.) Terry Blount, Martinez's Planning Manager who

later took charge of annexation upon Ms. Majors' retirement, stated: "The district was drawn purposely to minimize, or eliminate if possible, the ability for it to go to a vote." (Contra Costa County Times, August 23, 2010.)

In three separate instances, the City has "purposely" gerrymandered the proposed Annexation boundary to avoid protest votes.

First, the City realized early on that there was a potential that the proposed Annexation would come to a vote and that the threshold 25% protest vote would be reached unless the City's proposed Annexation eliminated Area B, approximately 65 parcels.

In the second case, the City again realized that the Valley residents were organizing and may still achieve the 25% threshold protest vote against the Annexation, so the City further gerrymandered boundaries by eliminating approximately 37 parcels south of Alhambra Valley Road (except Valley Orchard). These 37 parcels were directly across the street from the Annexation area, and many of them had signed agreements stating they would not protest annexation.

Again, for a third time, the City gerrymandered the Annexation boundary by eliminating 9 properties on Vaca Creek Way, Vaca Creek Road, and Alhambra Valley Road, creating an island at or near the center of the annexation area in an attempt to secure the proposed Annexation from the threshold 25% protest vote.

In sum, the City persisted in repeatedly gerrymandering the Annexation area borders for the sole reason of attempting to curb public participation in the LAFCO process. In other words, numerous times during this process the City has attempted to create an annexation boundary that excludes those residents that have the ability to protest the proposed Annexation. The Cortese-Knox Act forbids local governments from forming annexation boundaries on the basis of curbing public participation, at the expense of reasoned planning principles. For example, Govt. Code 56668 states that LAFCO frowns upon the "creation of islands or corridors of unincorporated territory."

AVIA respectfully requests that LAFCO keep in mind that both Karen Majors and Terry Blount have readily admitted on the public record that the City's purpose in creating the proposed Annexation boundary is so the annexation does not reach the 25% protest threshold that would push the proposed Annexation to a popular vote. Certainly, forming Annexation boundaries on the basis of voter suppression strategy does not equate to good land use planning practices.

3. The Annexation Map Has Serious Boundary Flaws.

The only place the annexation area is adjacent to the city is high in the hills where three properties in Alhambra Valley Ranch touch the U.S. Government's Mt. Wanda property. In this area, there is no road, nor does it appear that there ever will be one.

Therefore, from the north, one must approach the annexation area via Alhambra Valley Road at Sheridan Lane, or from the east at Reliez Valley Road.

When one takes the approach at Sheridan Lane, one finds that the Annexation Area has been separated from the city by ONE MILE of county road. By so doing the city has eliminated Area B, thus creating an island of unincorporated area. Additionally one must travel a MILE further on county road to get to the major subdivisions of Stonehurst and Alhambra Valley Ranch. The city has leapfrogged certain unincorporated areas with its proposed boundary lines. Other examples that depict the poor planning of the proposed Annexation Area's boundaries are as follows:

- The annexation area needlessly crosses roads in two places, leaving a cookie cutter boundary.
- In one place it encroaches into Area C across Alhambra Valley Road solely to include three homes on the east side, and in the other it crosses Alhambra Valley Road on the south side to include the ten homes on Valley Orchard Court.
- In addition, three homes on Pymont Court are separated from the annexation on the west side, isolating the city from the adjacent Urban Limit Line and creating a small COUNTY ISLAND CORRIDOR within the Urban Limit Line.
- The City also has omitted nine properties at Vaca Creek Road, creating another COUNTY ISLAND for the sole purpose of eliminating property owners with protest rights. This elimination leaves conflicting boundaries between county and city, confusing responsibilities for road and creek maintenance, police service, and other local government services.
- Approaching Alhambra Valley from Reliez Valley Road, the City has created yet another serious cookie cutter boundary. Valley Orchard has been included in the annexation area causing a boundary protrusion across Alhambra Valley Road to the south.

Originally, Karen Major stated in the Initial Study that she wanted to "clear up boundary lines." The City has done just the opposite. Just one look at a map of the proposed Annexation area indicates that the oddly shaped area has been drawn for no other logical reason than to simply curb opposition to the proposed Annexation.

4. In 2010, the Martinez City Planning Commission Voted Unanimously Against the Annexation.

On or about June 28, 2010, the Martinez Planning Commission voted unanimously, 4 votes to 0, to deny the proposed annexation. According to excerpts from an article published by the Martinez News Gazette on July 8, 2010, Commissioner Harriett Burt rejected the proposal as a “contrived situation that is not honest.” Ms. Burt also stated, “The strongest [concern] is the fact that the annexation presented to us was not based on any logic but the impeding of a protest filing. . . If we do piecemeal on this kind of a basis, there will be problems for other people [in the future].” Commissioner Mike Marchiano stated: “There’s no way I can support this. The drawing of this [annexation map], the gerrymandering of this. . . to think that because you took city water, that some way or another, you are not allowed to protest the fact that you can become a member of the city, that sticks in my craw.” Similarly, Commissioner Paul Kelly stated, “I cannot in good conscience vote for this.” Planning Commission Chairperson Donna Allen concluded the Commissioners’ comments by stating, “It seems very premature to me to be looking at annexation prior to the formation of the General Plan.”

In view of the fact that the Planning Commission voted down the annexation 4-0 with one abstention, and in view of the fact that the whole Valley is not included, not to mention the serious flaws in the annexation, this annexation proposal should be denied.¹ The bottom line is that the city’s own Planning Commission could not approve the annexation.

5. Since 1987, Martinez Has Been Coercively Forcing Alhambra Valley residents to Enter Into Deferred Annexation Agreements (“DAAs”).

The city has been withholding water for new homes in the Alhambra Valley area unless the owners sign a DAA agreeing not to protest annexation. We understand that, in 1987, Jeff Walter, the City Attorney at the time, created a two step DAA plan that changed the historic way the city provided water to the Valley.

- First, the original developers were to sign a DAA that put the properties in the new subdivisions under deferred annexation that would run with the land.
- Second, when the lots were sold, and each new owner completed his home and requested water from the City, the property owner would be denied water unless the property owner agreed to sign a DAA giving up his right to protest annexation.

Imagine that you have just paid many thousands of dollars for a lot, made a huge investment in building a very expensive new home, paid the architect, engineer, and builder, and satisfied all the county regulations and paid all associated permit fees.

¹ The resolution to deny the annexation was voted 3 to 1. One of the commissioners who voted in the 4-0 tally was not present at the meeting to adopt the denial resolution, and the one who voted for the annexation was not present at the June 28, 2012 Planning Commission meeting when the annexation was unanimously defeated

Unexpectedly, you are ordered to sign away your protest rights to annexation, or else you cannot have city water and live in your new home with public water. Meanwhile, the concept of “deferred annexation” was never explained or disclosed to you. How would you feel?

A typical DAA reads as follows: “...in exchange for the city’s agreeing to extend water service...[the owner] will support such annexation and refrain from protesting such annexation.” A typical DAA also states that the city can sell the property owner’s property if the owner defaults on the agreement. That information should have been under disclosure to the buyers.

The City Council Staff Report for the December 1, 2010, City Council Meeting states on p. 9, “The deferred annexation agreements are legal documents that were executed at the time the properties requested City water service.”

Further, the City appears to be improperly relying on DAAs that actually cannot be produced in their files. According to the City, it should have 83 DAAs within the annexation area; however, it appears the City has only 23 of these signed documents. The 60 who have not signed DAAs should be allowed to protest and should not be disenfranchised. In essence, the City is relying on DAAs that do not in fact exist in its records.

In its response to its above record-keeping problem, the City claims that when the original developers signed DAAs with the City, those DAAs in effect bind the future owners not to protest. In fact, the subsequent property owner was not a signatory to the developer’s DAA. On the contrary, the DAA apparently was not disclosed to the new property owners.

The city knew that the deferred annexation process would be heard by LAFCO and that the city would need signed agreements at that time. That’s the process that was established twenty-five years ago. The City simply did not follow through and get the DAAs they needed in most cases.

It is wrong to deny the right of protest and the right to vote for residents and/or voters who have never signed a DAA and for whom there are no DAAs in existence in the City Clerk’s Office. A Public Records Search (Feb. 17, 2012 Tim Tucker to Harold Olson) has revealed that approximately 60 properties in the annexation area have no DAAs on file.

6. Measure H - Taxation without Representation.

This annexation would force residents to pay taxes for Measure H, a 2008 thirty million dollar (\$30,000,000) park, library, and pool bond issue that was passed within the City. Residents in the Annexation area, who were at the time county voters, could not vote on it. Residents subject to annexation are upset about the possibility of paying a tax that they never had the power to vote on when the tax measure was originally passed.

7. Government Code 56668 states that LAFCO must consider “sufficiency of revenue for those services following the proposed boundary change.”

Martinez’s Fiscal Impact Report by Economic and Planning Systems states that Area A, at build out, will result in a deficit for the City. Due to gerrymandering of the Annexation Area boundary line by the City to avoid protest votes, Area A of the proposed Annexation Area is now much smaller since it has excluded 46 properties that the City feels will assist Alhambra Valley residents in achieving the 25% protest vote threshold. As a result, there will be much less revenue generated than originally anticipated.

It appears the City did not like the above deficit projections in the draft report, so it had a second study made that showed a surplus for the City. How can a smaller area generate more money than it did originally? Based on the initial City Financial Impact Report, it appears the “sufficiency of revenue” is certainly in jeopardy.

8. Road Problems

The annexation area is too far from City roads. Govt. Code 56747 (a) (2) states: “The property to be annexed shall not be annexed if the distance between the boundary of the annexing City and the point closest to the annexing city at which the road strip connects with the abutting property, as measured by the road strip, is more than one-half mile.” The city boundary on the north at Sheridan Lane at Alhambra Valley Road is well in excess of a half mile from the annexation area at Hill Girt Ranch Road. Likewise, the south-east city boundary on Reliez Valley Road is also well in excess of one half mile away from the annexation area at Alhambra Valley Road.

In addition, the city should have a road maintenance agreement with the county. Without such an agreement in place might not both sides avoid repairing roads. The lack of an agreement will further impact “the sufficiency of revenue” issue above.

9. Stormwater Drainage.

The city has proposed to annex part of Vaca Creek and Arroyo del Hambre Creek without a stormwater drainage plan. Because of the elimination of the nine properties in the Vaca Creek area, the city has divided the watershed, obfuscating the responsibility between the city and county for creek maintenance.

Currently, substantial taxes are paid by homeowners for stormwater drainage. How is the City going to carry out its new responsibility in exchange for the taxes it will receive? The City’s position is that stormwater structures are in place to address this issue; however, who will pay for the undermining of structures, which occurs often in the creek? The City will receive tax money but has shown no willingness to take responsibility for drainage repairs.

10. Alhambra Valley Should Remain Under a Single Police Jurisdiction.

A single police jurisdiction, as it is now, presents no problems when emergencies arise. With the piecemeal annexation an additional policing service is added to the Valley. Therefore, the annexation area map will bring County Sheriff and City police responsibilities into conflict.

First, in the Vaca Creek area as well as east and south of Alhambra Valley Road, some areas will be patrolled by the Martinez Police on one side of the street, while the County Sheriff still patrols the other side.

Second, the City police responsibility encroaches into Area C for three homes, while all the rest of Area C is County patrolled. In essence, next door neighbors have differing police services. In this example Area B, which is an "island" of County jurisdiction, is also county patrolled.

If someone from the Valley calls 911 how does the dispatcher know which police patrol to send? More than likely both departments would respond. This problem does not exist now, and if the Valley were totally annexed this problem would not be created. Most Valley residents prefer the single policing unit from which they currently benefit.

11. Martinez is very likely to increase density in Alhambra Valley.

In January, 2011, Martinez amended its General Plan to include a new Housing Element increasing density. "The Housing Element allows for, and encourages, higher density developments." (Martinez News Gazette).

The city has a history of allowing more units than originally permitted by zoning. For example, with Barelessa Palms, the zoning called for 17 units. The Council approved 49 units. As another example, with Cascara Canyon, the zoning called for 20 units. The Council overruled the Planning Commission and approved 42 units. Currently, the Planning Commission is considering a PUD adjacent to the Muir Shopping Center where more than the allowable zoning is being considered.

So, what does all this mean for Alhambra Valley? It means that after two years the City can reduce the five acre pre-zoning in the annexation area to two and one-half acre parcels as the city had it zoned originally. There seems little doubt that the City will double the density in Alhambra Valley as they have consistently done within Martinez. If this happens, the rural atmosphere that residents treasure in the Valley would be destroyed. Given the City Council's propensity for development, increased density in the Valley is less a possibility and more of a probability.

IN SUMMATION, Alhambra Valley is a serene, peaceful and unified Valley. There is no compelling reason for the arbitrary and piecemeal local government boundary division that is proposed in our Valley by the proposed Annexation. Clearly, if

the Valley is to be annexed, it should be annexed in one piece, not severed for political purposes and tax gain.

As set forth herein, AVIA and numerous individual Valley residents respectfully request that you please deny the City's proposed Annexation application, and retain all of Alhambra Valley under a unified local government. We look forward to working with you and the LAFCO Board throughout the City's continuing application and hearing process.

Respectfully Submitted,

A handwritten signature in black ink that reads "Hal Olson". The signature is written in a cursive, flowing style.

Hal Olson
President, AVIA

Exhibit A follows



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December 1, 2010

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Please Reply To:
Danville

Via Hand-Delivery - December 1, 2010

Honorable Mayor Schroder and
Members of the City Council
City of Martinez
525 Henrietta Street
Martinez, CA 94553

Re: *AVIA Opposition to Proposed Alhambra Valley Annexation Project*

Dear Honorable Mayor Schroder and Members of the City Council:

Our offices continue to represent members of the Alhambra Valley Improvement Association ("AVIA") who have not signed Deferred Annexation Agreements and who oppose the City's proposed annexation of the Alhambra Valley area into the City of Martinez. This letter represents our comments on the proposed Alhambra Valley Annexation Project ("Annexation Project"). Our clients object to the proposed Annexation Project because the required findings under the Cortese-Knox-Herzberg Local Government Reorganization Act ("Cortese-Knox Act") cannot be made to justify the Annexation Project, which, with an awkwardly shaped and gerrymandered boundary line, is contrary to land use planning principles.

The Cortese-Knox Act sets forth factors at Government Code section 56668 to be considered in review of a proposal for annexation. Those factors include such considerations as: "population and density," "land area and land use," "topography," "natural boundaries," and "the need for organized community services." Such considerations take into account the "continuity and proximity of services, such as

schools, road infrastructure, and the definiteness and certainty of the boundary area.” (Gov’t Code, § 56668; emphasis added.)

Here, however, the City is proposing to “gerrymander” the annexation area boundary line for the sole purpose of “capturing” property owners with deferred annexation agreements. This strategy has the sole purpose of avoiding the threat of opposition from residents who are not subject to deferred annexation agreements. We submit that such a rationale for drawing up an annexation area does not follow the required findings set forth in the Cortese-Knox Act and thus is not a legally permissible basis for proposing an annexation area.

City Staff’s intent is clear in its Staff Report, where it states its rationale for annexing this newly proposed area:

[U]sing the location of the properties with deferred annexation agreements as the primary emphasis, staff determined that in order to annex as many of them as possible and create an annexation area with the most logical boundary, that with the exception of the properties on Valley Orchard Court and the cluster on the eastside of Alhambra Valley Road directly south of Hill Girt Ranch Road, the annexation area should include all properties north and west of Alhambra Valley Road (see Attachment B). While this boundary includes a number of properties on the north side of Alhambra Valley Road just past the intersection with Reliez Valley Road without agreements, the majority of these had to be included in order to reach those properties with agreements in the eastern part of the proposed annexation area. Properties in an area to be annexed have to be contiguous to one another in order to be considered by LAFCO. They also have to be within the Urban Limit Line. This is the proposed annexation area that the Planning Commission considered. (City Staff Report, p. 5. Emphasis added.)

Upon further reflection staff has determined that there is one part of the proposed annexation area where there is a logical cluster of properties without deferred annexation agreements that should be excluded from the proposed annexation area to reduce the overall number of properties included that do not have agreements. This cluster includes all of the properties with an address on Vaca Creek Road and Vaca Creek Way — a total of nine properties. (*Id.*)

In other words, City Staff adjusted the boundary of the proposed annexation area for the sole purpose of minimizing public opposition. When City Staff first began the annexation consideration process, they had proposed to annex an area that was much larger and was more contiguous with City boundaries. But when City Staff realized they would face substantial opposition from residents not encumbered by deferred annexation agreements, they began to carve out an awkward jigsaw puzzle-like area that is serviced by one road to and from the City and is largely not contiguous with current City boundaries. In this latest revision, City Staff is yet again chipping away at its already awkwardly-shaped annexation area because, "upon further reflection," City Staff has realized there would still be a chance that residents could garner the 25% protest level required to push the proposed annexation to a popular vote.

By choosing to gerrymander the boundary line in an attempt to take out as many people as possible who would protest the annexation, City Staff is really forming an annexation area with boundaries that are drawn with the "primary emphasis" of avoiding public participation in the annexation process. This approach is contrary to the Cortese-Knox Act's required findings, which are limited to land-use considerations. Further, the proposed annexation area boundary creates an awkwardly shaped annexation area that is contrary to the Cortese-Knox Act's planning goals of encouraging "orderly growth and development" and a "logical formation and determination of boundaries." (Cortese-Knox Act, Gov't Code, § 56001).

For the above reasons, we respectfully request that the City Council follow the three-to-one recommendation of the City's Planning Commission and deny the Annexation Project as proposed. Thank you for your time and consideration regarding this important matter. If you have any questions, please feel free to contact our offices.

Very truly yours,

Gagen McCoy
A Professional Corporation



Brian P. Mulry

BPM:mam
cc: Clients



GagenMcCoy

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Please Reply To:

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Via Hand-Delivery - May 19, 2010

Ms. Karen Majors
Director, Community and Economic
Development
City of Martinez
525 Henrietta Street
Martinez, CA 94553



Re: *AVIA Opposition to Proposed Alhambra Valley Annexation Project*

Dear Ms. Majors:

Our offices continue to represent members of the Alhambra Valley Improvement Association ("AVIA") who have not signed Deferred Annexation Agreements and who oppose the City's proposed annexation of the Alhambra Valley area into the City of Martinez. This letter represents our comments on the proposed Alhambra Valley Annexation Project ("Annexation Project") and the City's Initial Study and proposed negative declaration. Our clients object to the proposed Annexation Project for the following reasons: (1) the Annexation Project abandons many of the goals and policies of the Alhambra Valley Specific Plan ("AVSP") without studying the environmental effects of such a change, and (2) the required findings under the Cortese Knox Act cannot be made to justify the Annexation Project.

Thus, we respectfully request that the City deny the approval of the proposed Annexation Project, or at a minimum refuse to certify the negative declaration and require further environmental review as required by CEQA.

Abandoning many of the AVSP's key goals and policies will inevitably impact how future development and planning strategies are considered in the proposed annexation area. For example, there are numerous AVSP goals and policies that seek to "encourage and enhance" agriculture and to "maintain and promote a healthy agricultural economy in the Alhambra Valley area." (AVSP, p. 9-10.) However, none of these key goals and policies would carry over to the City's General Plan policies for the Alhambra Valley annexation area. Without such goals and policies, planning decisions in the proposed annexation area would not be required to consider the preservation of the agricultural economy of the area. This abandonment of such planning goals and policies represents one example of how the newly proposed annexation would have a significant effect on the environment.

Similarly, the City fails to include key AVSP goals and policies related to all of the major categories listed in the AVSP, including, the environment, new development, public services and facilities, agricultural resources, traffic circulation and scenic parks, scenic resources and community design, and intergovernmental cooperation. In particular, the key goals and policies related to intergovernmental cooperation would be especially significant given the fact that the further gerrymandered annexation area would give rise to overlapping planning and service issues as the Alhambra Valley would be carved up into an unorganized pockets of unincorporated area interwoven with the annexation area.

An abandonment of the AVSP may result in potentially significant environmental effects for the area. Thus, further environmental review is required to determine the environmental effects to the Alhambra Valley annexation area in losing the planning protections afforded it through the AVSP's key goals and policies and implementation plans.

B. The City's Proposed Road Improvements to Alhambra Valley Road and Reliez Valley Road May Have a Significant Effect on the Environment and Have Not Been Adequately Studied.

As a component of the Annexation Project, the City proposes amendments to the current City of Martinez General Plan ("General Plan") to require certain road, trail and bike path improvements on Alhambra Valley Road and Reliez Valley Road. The City would require the following road improvements on Alhambra Valley Road: travel lanes and shoulders, trails and drainage facilities, and a Class III bike path connecting with the Reliez Valley Road bike path westward to Bear Creek Road and Castro Ranch Road. (Martinez General Plan Amendments - DRAFT, p. 3.) With respect to Reliez Valley Road, the proposed General Plan Amendment would require the following improvements: construction of drainage, road shoulders; separated trail improvements; turning lanes; repaving/reconstruction of the existing roadbed as necessary; and

landscape improvements. (Martinez General Plan Amendments - DRAFT, p. 3.) While some of these improvements are also listed in the AVSP, some improvements, such as the Class III bike lane, have not been included in the AVSP and thus their environmental effects have not been studied.

The City fails to develop an implementation plan for developing these improvements, while the AVSP had set forth a specific implementation plan for the road improvements to mitigate potentially significant effects on the environment and on neighbors' quality of life. The AVSP contemplated a "scenic corridor improvement plan" to be drafted that conformed with the goals and policies of the AVSP. (AVSP, p. 57.) For example, the AVSP required that neighborhood groups and the City of Martinez be provided an opportunity to comment on the proposed improvement plan prior to the commencement of any construction activity. (*Id.*) Under the City's proposed General Plan Amendment, no scenic corridor improvement plan is required -- the City may simply construct the improvements without any plan, further study, or public comment.

The environmental effects of the City's proposal for road improvements without the implementation plan has not been studied, and a fair argument, based on substantial evidence on the record, can be made that these improvements will have a significant effect on the environment without a detailed implementation plan.

Further, the proposed General Plan Amendment fails to include many of the policies outlined in the Traffic, Circulation, and Scenic Routes section of the AVSP. For example, the City fails to amend the City's General Plan to prohibit the construction of solid board fencing along Alhambra Valley Road and Reliez Valley Road, which was included as "Policy 7" in the Traffic, Circulation, and Scenic Routes section of the AVSP. As described in more detail above, the City is selecting certain policies from the AVSP for inclusion into the City's General Plan, while omitting other important AVSP policies without studying the effects of these key omissions.

Also, as the General Plan Amendment and AVSP indicate, both Alhambra Valley Road and Reliez Valley Road contain many heritage quality trees. While the proposed General Plan amendment requiring these improvements would mandate that an "attempt" be made to preserve the heritage quality trees, this requirement provides much less protection than what is provided under the AVSP. In the AVSP, an inventory must be developed which identifies existing mature trees and other significant vegetation along Alhambra Valley Road and Reliez Valley Road which could be affected by any future road improvements. (*Id.*) "This inventory should be used to develop an overall scenic corridor improvement plan" (*Id.*) However, the proposed General Plan Amendment simply selects a part of the AVSP referring to preservation of the heritage trees in a way that would allow the trees to be cut down and removed if absolutely necessary for these improvements. This scenario would have a significant effect on the aesthetic

environment in the Alhambra Valley area, and must be properly analyzed upfront and early in the process, as CEQA requires.

A fair argument can be made that these deviations from the AVSP would have a significant effect on the environment. The AVSP contains key goals and policies meant to address potentially significant impacts associated with road improvements in the Alhambra Valley annexation area. By abandoning key goals and policies and procedural safeguards that would address these potentially significant impacts, the City now fails to adequately mitigate those potentially significant impacts.

The City has failed to include any discussion of the City's proposed road improvements without an implementation plan in the "Transportation/Traffic" section of the Initial Study, and has failed to properly study the omission of key AVSP goals and policies that will not be incorporated into the City's General Plan. (Initial Study, p. 79.) The environmental effects of these actions have not been properly studied, as required by CEQA.

2. The City's Annexation Project Fails to Satisfy the Necessary Findings for Annexation as Set Forth in the Cortese-Knox Act.

The Cortese-Knox Act sets forth factors at Government Code section 56668 to be considered in review of a proposal for annexation. Those factors include such considerations as: population and density, land area and land use, topography, natural boundaries, and the need for organized community services. Such considerations take into account the continuity and proximity of services, such as schools, road infrastructure, and the definiteness and certainty of the boundary area. (*Id.*; emphasis added.)

Here, however, the City is proposing to "gerrymander" the annexation area boundary line for the sole purpose of "capturing" property owners with deferred annexation agreements. When the City first began the annexation consideration process, they had proposed to annex an area that was much larger and was more contiguous, but when the City realized they would face substantial opposition, they began to carve out an awkward jigsaw puzzle-like piece that is serviced by one road to and from the City and is largely not contiguous with current City boundaries. By choosing to draw the line to take out as many people as possible who would be able to protest, the City is attempting to annex an area that is awkwardly shaped and is interrupted with large pockets of areas that would remain unincorporated.

The above strategy for annexation is contrary to the Cortese-Knox Act's findings, as well as its planning goals of encouraging "orderly growth and development" and a "logical formation and determination of boundaries." (Cortese-Knox Act, Gov't Code, § 56001).

Ms. Karen Majors

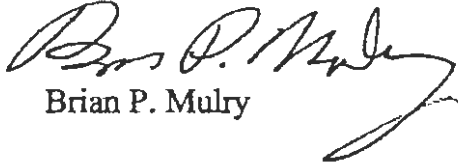
May 19, 2010

Page 6

For the above reasons, we respectfully request that the City deny the approval of the proposed Annexation Project, or at a minimum refuse to certify the negative declaration and require further environmental review as required by CEQA. If you have any questions, please feel free to contact our offices.

Very truly yours,

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Sarah S. Nix
Ross Pytlík
Brian P. Mulry
Amanda Beck

Of Counsel
Linn K. Coombs

December 15, 2009

Danville Office
279 Front Street
P.O. Box 218
Danville, California 94526-0218
Telephone: (925) 837-0585
Fax: (925) 838-5985

Napa Valley Office
The Offices At Southbridge
1030 Main Street, Suite 212
St. Helena, California 94574
Telephone: (707) 963-0909
Fax: (707) 963-5527

Please Reply To:

Danville

Via E-mail and U.S. Mail

Ms. Laura Austin
Administrative Aide III
City of Martinez – City Hall
525 Henrietta Street
Martinez, CA 94553

Re: *Request for Notification of Public Meetings, Hearings, and/or Reports on the
City's Proposed Annexation of the Stonehurst/Alhambra Valley Area*

Dear Ms. Austin:

Our office continues to represent the Alhambra Valley Improvement Association (“AVIA”) in its opposition to the City of Martinez’s proposed application for annexation of the Stonehurst/Alhambra Valley area into the City (“proposed annexation”). The proposed annexation area is generally located southwest of the City and is currently considered to be a part of unincorporated Contra Costa County.

We understand that the City has committed monies to studying the proposed annexation and preparing an application for submittal to the Local Agency Formation Commission (“LAFCO”). We respectfully request that the City timely notify our office of any upcoming City meetings, hearings, and/or reports regarding the proposed annexation or any related issues such as proposed rezoning plans, boundary considerations, or other City strategies that may affect the proposed annexation application. Notice of such City meetings, hearings, and/or reports will allow our office

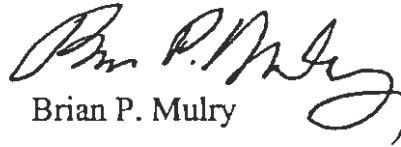
Ms. Laura Austin
December 15, 2009
Page 2

to effectively participate on behalf of AVIA in the public review of the City's proposed annexation application.

If you have any questions, please contact our office. Thank you for your time and consideration regarding this important matter.

Very truly yours,

Gagen McCoy
A Professional Corporation


Brian P. Mulry

ACM:mam
✓ cc: clients
Ms. Karen Majors

RESOLUTION NO. 11-07**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING ALHAMBRA VALLEY REORGANIZATION: ANNEXATION TO THE CITY OF MARTINEZ AND CORRESPONDING DETACHMENTS FROM COUNTY SERVICE AREAS P-6 AND L-100**

WHEREAS, a proposal to annex territory within the Alhambra Valley was filed with Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code section 56000 et seq.); and

WHEREAS, the Executive Officer has examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, consistency with the sphere of influence, contiguity with the City boundary, and related factors and information including those contained in Government Code section 56668; and

WHEREAS, at a public hearing on July 11, 2012, the Commission opened the public hearing, received public comment, and continued the hearing to September 12, 2012; and

WHEREAS, at a public hearing on September 12, 2012, the Commission amended the City's proposal to include the concurrent detachment of the subject property from County Service Areas P-6 and L-100 (TRA 76001); and

WHEREAS, the annexing agency has consented to waiving the conducting authority proceedings; and

WHEREAS, the irregular configuration of the annexation boundary as proposed by the City of Martinez is justified by the unique circumstances of this annexation in that the purpose of the annexation is to include properties currently receiving city services as well as properties that are subject to Deferred Annexation Agreements relating to water services, while excluding properties that are outside the countywide voter approved urban limit line; and

WHEREAS, the annexation boundary includes one split parcel, but otherwise avoids splitting parcels; and

WHEREAS, the annexation is consistent with orderly growth and development pursuant to Government Code section 56001 because it annexes areas that currently are receiving out of area service; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interest of the affected area and the total organization of local governmental agencies within Contra Costa County.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The Commission certifies it reviewed and considered the information contained in the Alhambra Valley Annexation Project Initial Study/Negative Declaration as prepared and adopted by the City of Martinez.

2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:

ALHAMBRA VALLEY REORGANIZATION: ANNEXATION TO CITY OF MARTINEZ AND CORRESPONDING DETACHMENT FROM COUNTY SERVICE AREAS P-6 AND L-100
4. Said territory is found to be inhabited.
5. The proposal has less than 100% landowner/registered voter consent; and is subject to a protest hearing. Contra Costa LAFCO is designated to conduct the protest hearing; the authority for which has been delegated to the LAFCO Executive Officer, who shall give notice and conduct a public hearing on the matter pursuant to the Government Code.
6. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment I, attached hereto and made a part hereof.
7. The subject territory shall be liable for any existing bonded indebtedness of the annexing agencies, if applicable.
8. The subject territory shall be liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agencies.
9. That the City delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the reorganization.
10. All subsequent proceedings in connection with this reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 12TH day of SEPTEMBER 2012, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

DON TATZIN, CHAIR, CONTRA COSTA LAFCO

ATTEST: *I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.*

Dated: September 12, 2012

Lou Ann Texeira, Executive Officer

RESOLUTION NO. 11-07R**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING ALHAMBRA VALLEY REORGANIZATION: ANNEXATION TO THE CITY OF MARTINEZ AND CORRESPONDING DETACHMENT FROM COUNTY SERVICE AREA P-6 - **REDUCED BOUNDARY OPTION****

WHEREAS, a proposal to annex territory within the Alhambra Valley was filed with Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code section 56000 et seq.); and

WHEREAS, the Executive Officer has examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, consistency with the sphere of influence, contiguity with the City boundary, and related factors and information including those contained in Government Code section 56668; and

WHEREAS, at a public hearing on July 11, 2012, the Commission opened the public hearing, received public comment, and continued the hearing to September 12, 2012; and

WHEREAS, at a public hearing on September 12, 2012, the Commission amended the City's proposal to include the concurrent detachment of the subject property from County Service Area P-6, and reduced the annexation boundary as shown in Attachment I; and

WHEREAS, the annexing agency has consented to waiving the conducting authority proceedings; and

WHEREAS, the irregular configuration of the annexation boundary as proposed by the City of Martinez is justified by the unique circumstances of this annexation in that the purpose of the annexation is to include properties currently receiving city services as well as properties that are subject to Deferred Annexation Agreements relating to water services, while excluding properties that are outside the countywide voter approved urban limit line; and

WHEREAS, the annexation boundary includes one split parcel, but otherwise avoids splitting parcels; and

WHEREAS, the annexation is consistent with orderly growth and development pursuant to Government Code section 56001 because it annexes areas that currently are receiving out of area service; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interest of the affected area and the total organization of local governmental agencies within Contra Costa County.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Contra Costa LAFCO
Resolution No. 11-07R

1. The Commission certifies it reviewed and considered the information contained in the Alhambra Valley Annexation Project Initial Study/Negative Declaration as prepared and adopted by the City of Martinez.
2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:

ALHAMBRA VALLEY REORGANIZATION: ANNEXATION TO THE CITY OF MARTINEZ
AND CORRESPONDING DETACHMENT FROM COUNTY SERVICE AREA P-6
4. Said territory is found to be inhabited.
5. The proposal has less than 100% landowner/registered voter consent; and is subject to a protest hearing. Contra Costa LAFCO is designated to conduct the protest hearing; the authority for which has been delegated to the LAFCO Executive Officer, who shall give notice and conduct a public hearing on the matter pursuant to the Government Code.
6. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment 1, attached hereto and made a part hereof.
7. The subject territory shall be liable for any existing bonded indebtedness of the annexing agencies, if applicable.
8. The subject territory shall be liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agencies.
9. That the City delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the reorganization.
10. All subsequent proceedings in connection with this reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 12TH day of SEPTEMBER 2012, by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

DON TATZIN, CHAIR, CONTRA COSTA LAFCO

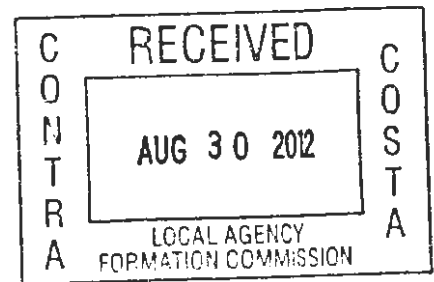
ATTEST: *I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.*

Dated: September 12, 2012

Lou Ann Teixeira, Executive Officer

August 29, 2012

Lou Ann Texeira, Executive Officer, LAFCO
LAFCO Commissioners
651 Pine Street, Sixth Floor
Martinez, CA 94553



RE: The "Reduced Boundary Option"

Dear Ms. Texeira and Commissioners:

There are two cases where the "Reduced Boundary Option" should be amended.

In the first case, 5370 Alhambra Valley Road was never intended to be in the option by the Martinez City Council.

Here is a copy of the Action Minutes of the special meeting held Wednesday, August 22, 2012, of the Martinez City Council. The minutes are written by Mercy Cabral, the Deputy City Clerk:

From: "Mercy Cabral" <mcabral@cityofmartinez.org>
Date: August 28, 2012 5:15:46 PM PDT
To: "Marie Olson" <marieolson@earthlink.net>
Subject: 08/22/12 action minutes

This is what the city attorney reported out:

As a result of LAFCO's Municipal Service Review, the City was asked to consider annexation of those developed subdivisions with urban services. Subsequent to the LAFCO meeting in July, staff was asked to again review the proposed boundaries. Based thereon, staff is

suggesting that the City request LAFCO to revise the boundary to include just those subdivisions as were originally contemplated, which are in fact, currently receiving urban services.

This is what was agreed to by consensus:

It was agreed by general consensus (three Councilmembers) to request LAFCO to amend the application to revise the boundary to include just those subdivisions as were originally contemplated, which are in fact, currently receiving urban services.

Mercy G. Cabral

D

It was very clear to all who attended the meeting that “just” the four subdivisions were to be in the “reduced boundary option,” and it is very clear in the minutes that both the Council and the Assistant City Attorney stated the same thing. The four subdivisions originally contemplated were Alhambra Valley Ranch, Stonehurst, Deer Creek, and Valley Orchard.

The “reduced boundary option” does not reflect exactly what the Council voted on. It does include the four subdivisions, but it also contains the additional pre-1987 property of 5370 Alhambra Valley Road, a property that AVIA and our attorneys from Gagen/McCoy represented from the very beginning.

For approximately one mile along the north side of Alhambra Valley Road from the Reliez Valley Road to the Deer Creek subdivision every home is excluded in the Reduced Boundary Option. 5370 AV Road is the last home completing the clear and

logical road frontage line. The annexation of Valley Orchard subdivision does not in any way require the inclusion of 5370 AV Road. The city declared that they “just” want to annex the four subdivisions. They did not include any incidental, pre-1987, non-deferred homes.

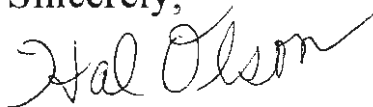
AVIA feels that for those two reasons 5370 AV Road should not be included in the “reduced boundary option.”

The second case involves the homes on Vaca Creek Way.

The city boundary should be located north of the homes on Vaca Creek Way in order to keep the neighborhood intact and avoid jurisdictional conflicts.

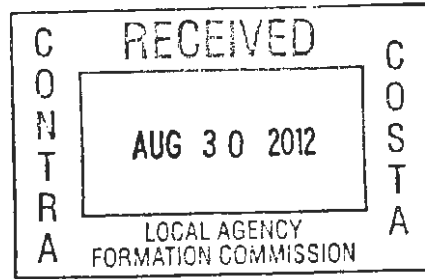
None of the properties cited above are in the four subdivisions that the city wants to annex. For that reason alone they should be excluded from the option.

Sincerely,

A handwritten signature in black ink that reads "Hal Olson". The signature is written in a cursive, flowing style.

Hal Olson, President, AVIA
22 Wanda Way
Martinez, CA 94553
925-228-7473

August 29, 2012



Commissioners, LAFCO
651 Pine Street, Sixth Floor
Martinez, CA 94553-1229

**Re: LAFCO No. 11-07 Alhambra Valley Annexation to City of Martinez
Inclusion of Three Vaca Creek Way Properties**

Dear Commissioners:

I am writing on behalf of myself and my wife (111 Vaca Creek Way in the Alhambra Valley); Dave and Pat Gilberti (101 Vaca Creek Way); and, Gilbert and Nancy Matsuoka (121 Vaca Creek Way).¹ The City of Martinez ("the City") has included our three properties within the annexation area in the last two iterations of its Annexation Plan despite the facts that (1) none of us has signed a Deferred Annexation Agreement (DAA); (2) none of us has a community of interest with the developments around us whose developers did sign DAA's; (3) we have a definite community of interest with our neighbors who live across the street and with those on Vaca Creek Road; (4) the properties across the street and those on Vaca Creek Road have been *excluded* from the City's Annexation Area, thus dividing our neighborhood down the middle; and (5) there is a simple solution that will eliminate these problems and will eliminate our opposition to the City's currently proposed annexation plan.

Background

Vaca Creek Way is a short, narrow, one-lane, dead-end road with five houses, which is accessed via Vaca Creek Road, which itself, is a short, dead-end road with three houses.² The City has drawn the annexation line down the middle of Vaca Creek Way, so that 101, 111, and 121 Vaca Creek Way are included in the annexation area, but the two properties on the other side of Vaca Creek Way, and all of the properties on Vaca Creek Road, have been excluded.

LAFCO SHOULD REQUIRE THE CITY TO EXCLUDE OUR THREE PROPERTIES FROM THE ANNEXATION AREA.

The properties on Vaca Creek Way have no community of interest with those in Stonehurst or Alhambra Valley Ranch. None of our properties has access to either development, except through the main gates of those communities. (111 Vaca Creek

¹ All of these individuals are registered voters at their respective residence addresses identified here and are owners of their respective residences.

² The Dunivan property is also on Vaca Creek Road, but it is outside the urban limit line, and thus, could not be annexed even if the City wanted to do so.

Way does not even abut either of those developments.) None of the properties on Vaca Creek Way and Vaca Creek Road are subject to DAA's, because we all hooked up to the Martinez Water District lines before 1987. Whereas, all of the properties in Stonehurst and Alhambra Valley Ranch are subject to DAA's. The properties on Vaca Creek Way and Vaca Creek Road share a main water line that is separate from the water lines in Stonehurst and Alhambra Valley Ranch. Finally, Stonehurst and Alhambra Valley Ranch are gated communities with their own Homeowner Associations; the Vaca Creek properties are outside those gates and are not part of any Homeowner Association.

However, those of us at 101, 111, and 121 Vaca Creek Way have a community of interest with our neighbors on Vaca Creek Way. We are, in essence, an isolated community, because we share a private, dead-end road. We share responsibility for road maintenance and community "watch." By putting the dividing line between city and county down the middle of our private road, the City has created the opportunity for delays in law enforcement response, because time will be taken to determine whether City Police or the County Sheriff would respond. For example, if I called 911 because I saw a situation across the street that needed law enforcement, my call would go the City, but the dispatcher would then have to call the County Sheriff, because my neighbor would be in the County. That delay could literally mean life or death.

Section 58641 of the Cortese-Knox-Hertzberg Act³ requires that LAFCO consider the "Need for organized community services, present cost and adequacy of government services and controls, probable future needs, probable effect of the annexation and of alternative courses of action on the cost and adequacy of services and controls in the area and vicinity." The requirement will not be met if the City is permitted to draw the annexation boundary line down the middle of Vaca Creek Way, because of the confusion and delay of emergency services on Vaca Creek Way, but it would be met if LAFCO requires the City to redraw the map as we are requesting.

Another criterion that LAFCO needs to consider when developing annexation boundaries is the "desires of residents." Redrawing the annexation map will accomplish this criterion and not adversely affect the other criteria.

Finally, the City Attorney's report of last Wednesday's (August 22, 2012) special meeting of the City Council states:

As a result of LAFCO's Municipal Service Review, the City was asked to consider annexation of those developed subdivision with urban services. Subsequent to the LAFCO meeting in July, staff was asked to again review the proposed boundaries. Based thereon, staff is suggesting that the City request LAFCO to *revise the boundary to include just those subdivisions as were originally contemplated*, which are in fact currently receiving urban services. (Emphasis Added.)

³ Cal. Gov't. Code Section 56000, et seq.

The official "Action Minutes" of that meeting show that that is what the City Council approved:

It was agreed by general consensus (three Council members) to request LAFCO to amend the application to revise the boundary to include *just those subdivisions as were originally contemplated*, which are in fact receiving urban services. (Emphasis added.)

There is no dispute that "subdivisions originally contemplated" refers only to Stonehurst, Alhambra Valley Ranch, Deer Creek, Cross Creek, and Valley Orchard subdivisions, and does not include any houses on Vaca Creek Way. Thus, the proposed map submitted by the City does not match the Resolution the City itself adopted upon which the proposed LAFCO approval is predicated. This deviation between the Resolution and the proposed map is a significant defect that would invalidate any approval by LAFCO of the proposed annexation.

The Solution

These problems can be easily rectified by requiring the City to redraw the Annexation Area boundary to go around the East side of 121 Vaca Creek Way and the North side 121 and 101 Vaca Creek Way, instead of going down the middle of Vaca Creek Way. This solution keeps our neighborhood intact; eliminates the potential for emergency services delays; results in all of the properties in Stonehurst and Alhambra Valley Ranch that signed annexation agreements within the annexation area, and those of us who have not, outside the annexation area.

Because the current map does not conform to the City's most recent Resolution, the LAFCO Executive could withdraw her "completeness determination" and ask the City to submit a map that conforms to the Resolution or LAFCO could reject the City's application as being nonconforming.

A City staff member told me that the reason the City wanted to draw the annexation line down the middle of Vaca Creek Way was because "it was a straight line." As you know, none of the City's proposed annexation maps, including the rest of the most recent map, is drawn based on straight lines. Indeed, many of the annexation boundary lines were drawn to conform to property boundary lines, just as we are requesting be done in our case. Thus, our proposed solution solves the problems associated with drawing the line down the middle of Vaca Creek Way, is more consistent with the terms of the Cortese-Knox-Hertzberg Act, is more consistent with the City Council's own Resolution of last week, and has no negative consequences. Thus, it is the most reasonable alternative, and LAFCO should require the City to revise their plan and map accordingly.

PROBLEMS WITH THE CURRENT ANNEXATION PLAN

If LAFCO does not require the City to revise the Vaca Creek Way boundary lines as we have requested, there are several additional bases upon which we can challenge the City's current annexation plan, if we chose to do so.

In addition to our three properties on Vaca Creek Way, the City map also includes the property at 5370 Alhambra Valley Road owned by the Rosenquist's. They are not in any of the developments specifically referenced in the City Resolution, and they have not signed a DAA, so in addition to our properties, there is another included in the revised map that does not conform to the City's Resolution. Accordingly, LAFCO must throw out the map entirely and reject the City's annexation proposal, or at the very least, require the City to revise its map to conform to its own August 22, 2012, Resolution.

The former City Manager testified at a Planning Commission meeting that the reason the Alhambra Valley annexation process began was because Mayor Schroder (who is a member of LAFCO) told her that he wanted to "set an example" for the other LAFCO members. It was not to benefit the residents of Martinez or the Alhambra Valley. This reason does not comport with the rational basis requirements of the Cortese-Knox-Herzberg Act.

The City staff and Mayor Schroeder have admitted in Planning Commission testimony, to the press, and in official documents that the annexation area was designed, and changed several times, in order prevent a protest vote (i.e., keeping the number of voters who had not signed DAA's below 25% of the voters in the annexation area). The City knows that it would lose such a protest vote. There is a strong argument that the City's admitted attempt to disenfranchise voters violates the Cortese-Knox-Herzberg Act and other laws.

The only contiguous border between the City and the proposed annexation area is a short stretch of pasture high in the hills between Alhambra Valley Ranch and Mt. Wanda National Park where no road is possible. It also creates a peninsula of City property that juts into the County that would completely surround the annexation area, except for this small strip of pasture. This obvious gerrymandering is contrary to the requirements of the Cortese-Knox-Herzberg Act.

The Alhambra Valley residents will be required to pay Measure H Bond tax, even though they were not within the City at the time the Measure was on the ballot. This is very different from requiring someone who voluntarily purchases a property within the City limits to pay the tax; the Alhambra Valley residents within the annexation area are being forced into the City unwillingly and required to pay a tax that they did not have the chance to vote upon. I know that "taxation without representation" is a trite phrase, but it is true in this case, and it poses legal problems to the annexation plan.

The City is asking LAFCO to rely on the City's December 2010 Negative Declaration of environmental impact. Yet, the most recent annexation plan area is substantially

different than the one upon which the December 2010 Negative Declaration was based. As you know, when a "Proposed Project" is changed as substantially as has the City's Annexation Plan for Alhambra Valley, the CEQA review document needs to be revised and reissued for public circulation and comment. If LAFCO does not require that the City resubmit a CEQA-compliant Negative Declaration contain an environmental assessment based on an accurate description of the Proposed Project, then LAFCO will be in violation of the Cortese-Knox-Herzberg Act.

The Cortese-Knox-Hertzberg Act provides for two separate protest procedures: one involves 25% of the land owners who own at least 25% of the proposed annexation area land, and the other involves 25% of the registered voters in the annexation area. The DAA's that I have seen mention "property owners". So, there is a good argument that the DAA's do not waive a *registered voter's* right to protest annexation as a *registered voter*, under the registered voter procedure, but only a property owner's right to protest annexation pursuant to the landowner procedure.

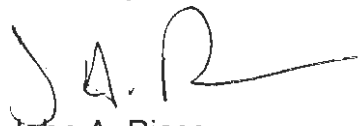
There is also support for the argument that a developer's DAA does not bind subsequent owners of lots within a development, if the owner did not have notice of the DAA. Accordingly, the residents of several of the lots that were signed only by developers, could challenge the current annexation plan that claims to exclude them from protesting annexation.

This is not an exhaustive list of possible claims against LAFCO that could be brought should LAFCO approve the City's annexation application in its current form and map.

* * *

I plan to attend the LAFCO hearing on this matter on September 12, 2012, at 1:30 p.m., but if you or your staff have questions, or would like further information, before the hearing, please have your staff contact me.

Sincerely,



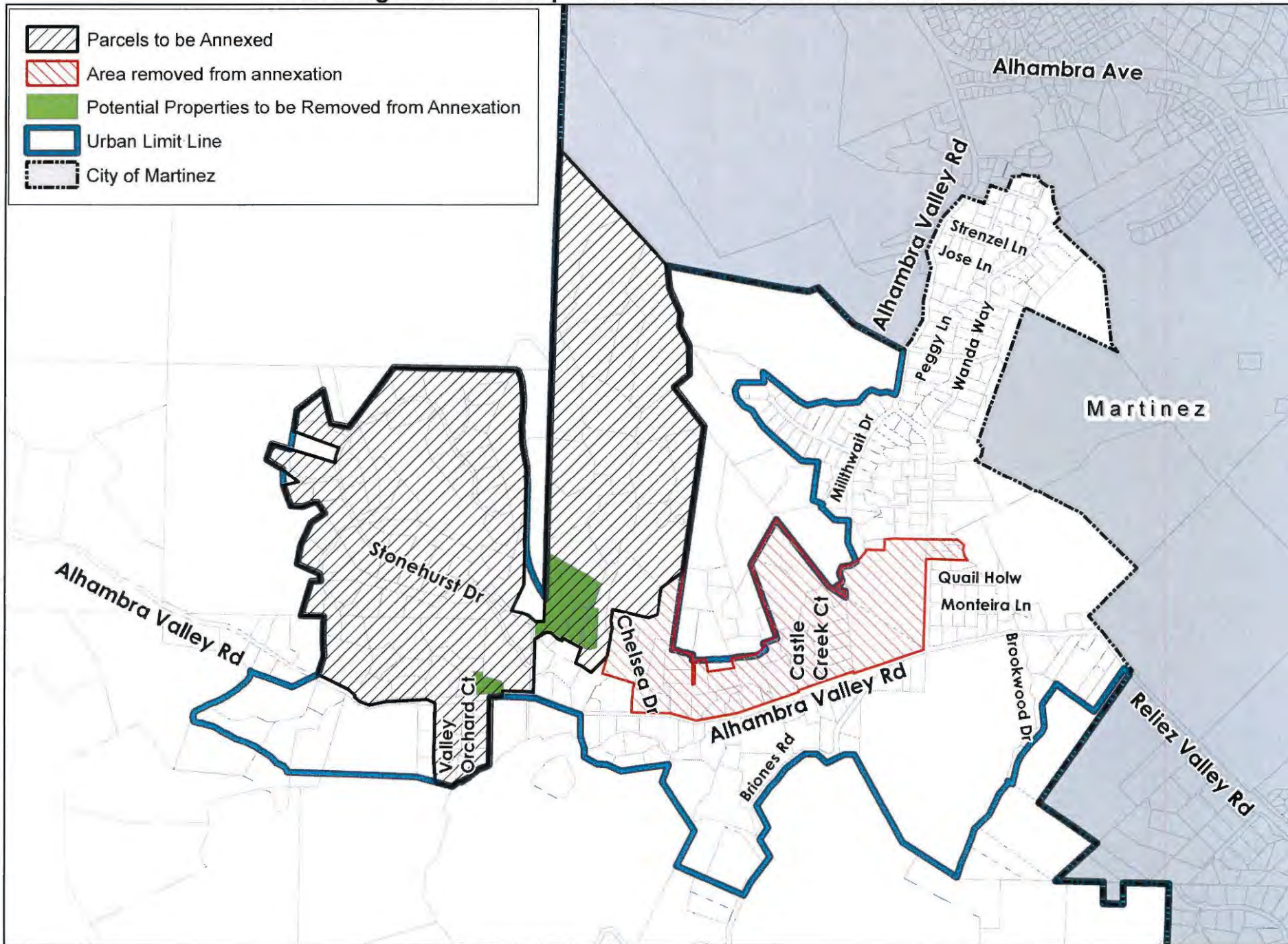
John A. Ricca
111 Vaca Creek Way
Martinez, CA 94553

Mailing Address:
6680 Alhambra Ave., #414, Martinez, CA 94553
Tel: (925) 229-1639
Email: jricca@comcast.net

Enclosure: Map With Requested Boundary Changes Added

(NOTE: I used the previous version of the map because it is easier to see the Vaca Creek Properties than on the new map, but the City's annexation boundary lines are identical.)

LAFCO No. 11- 07: Alhambra Valley Annexation to City of Martinez - Reduced Boundary Option Including Potential Properties to be Removed from Annexation



Map created 8/30/2012
by Contra Costa County Department of
Conservation and Development, GIS Group
30 Muir Road, Martinez, CA 94553
37°59'41.791"N 122°07'03.756"W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 8

LAFCO 12-03 San Damiano Annexation to East Bay Municipal Utility District (EBMUD)

PROPONENT EBMUD by Resolution No. 33853-11 adopted November 22, 2011

ACREAGE & LOCATION The District proposes to annex 27.5± acres (three parcels) located in western Danville at the terminus of Highland Drive (APNs 208-130-031/032/035).

SYNOPSIS

EBMUD filed an application with LAFCO to annex property to the District. The purpose of the annexation is to correct the EBMUD service area map and place the use boundary in compliance with LAFCO regulations and the EBMUD contract with the United States Bureau of Reclamation. The properties are developed and have existing water service through EBMUD.

DISCUSSION

On May 8, 2012, EBMUD submitted an application to Contra Costa LAFCO to annex 27.5± acres (three parcels) to the District. The properties are located in Danville and already receive water service through EBMUD. The purpose of the annexation is to correct a boundary/map irregularity.

EBMUD is a multi-county district which serves portions of Alameda and Contra Costa counties. Alameda County is the principal county; therefore, Contra Costa LAFCO must request a transfer of jurisdiction from Alameda LAFCO in order to consider the EBMUD boundary change application.

Contra Costa LAFCO staff requested a transfer of jurisdiction and on July 12, 2012, Alameda LAFCO approved the request to transfer jurisdiction to Contra Costa LAFCO.

In considering a boundary change proposal, the Commission must consider various factors set for in Government Code §56668. In the Commission's review and evaluation, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence (SOI) of any Local Agency:

The properties proposed for annexation are within EBMUD's sphere of influence (SOI) and within the County Urban Limit Line; and all parcels are located in the Town of Danville.

2. Land Use, Planning and Zoning - Present and Future:

The annexation area includes the San Damiano Catholic Retreat facility, an adjacent residential parcel, and a portion of an undeveloped third parcel that is partially within EBMUD's service area (Attachment 1).

The Town of Danville's General Plan designation is Residential, Country Estates and the Zoning designation is Residential R-65 (Single Family Residential - lot size 65,000 sq. ft. minimum). No changes are proposed to General Plan or zoning designations as part of this proposal.

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands:

The properties proposed for annexation contain no prime farmland or land covered under Williamson Act Land Conservation agreements.

4. Topography, Natural Features and Drainage Basins:

The topography of annexation area is rural urban interface. The surrounding areas include similar country residential estates to the north, east and west, and open space and parkland (East Bay Regional Parks) to the south.

5. Population:

The proposed annexation will result in no increase in population.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. The proposed annexation will have no effect on regional housing needs.

7. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

In accordance with Government Code §56653, whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall also submit a plan for providing services within the affected territory. The plan shall include all of the following information and any additional information required by the Commission or the Executive Officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The "Plan for Providing Services within the Affected Territory," as required, is on file in the LAFCO office. The properties proposed for annexation are currently served by various local agencies including, but not limited to, the Town of Danville, Contra Costa County, San Ramon Valley Fire Protection District, and Central Contra Costa Sanitary District.

The proposal before the Commission is to annex the properties to EBMUD to correct a boundary irregularity. The properties currently receive water service from EBMUD.

8. Timely Availability of Water and Related Issues:

The properties proposed for annexation are already receiving water service through EBMUD. EBMUD provides wholesale water, retail water, wastewater collection and wastewater treatment services for an area of 331± square miles in Alameda and Contra Costa counties, serving over 1.4 million people. Water service includes production, distribution, retail, treatment, recycling and conservation services. Historically, over 90% of EBMUD's water comes from the Mokelumne River watershed. Other water sources include local watershed runoff and Central Valley Project (Sacramento River).

The proposed annexation will have no effect on water usage, and will not lead to the construction of new or expansion of existing water facilities.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within tax rate areas 16022 and 16006. The assessed value for the area proposed for annexation is \$1,251,000 (2011-12 roll). The territory being annexed shall be liable for all authorized or existing taxes comparable to properties presently within the annexing agencies. The annexation is subject to a master tax sharing agreement.

10. Environmental Impact of the Proposal:

In October 2011, EBMUD, as Lead Agency, filed a Notice of Exemption finding that the proposed Annexation is exempt from CEQA pursuant to CEQA Guidelines Section 15319(a). The LAFCO Environmental Coordinator reviewed the document and finds it adequate for LAFCO purposes.

11. Landowner Consent and Consent by Annexing Agency:

According to County Elections, there are fewer than 12 registered voters in the area proposed for annexation. Thus, the area proposed for annexation is considered uninhabited.

All landowners and registered voters within the proposal area(s) and within 300 feet of the exterior boundaries of the annexation area have received notice of the September 12 hearing. EBMUD indicates that less than 100% of the affected landowners have provided written consent to the annexation. Thus, the Commission's action is subject to notice, hearing and protest proceedings.

12. Boundaries and Lines of Assessment:

The annexation area is within EBMUD's SOI and is contiguous to existing EBMUD service boundary. The proposed annexation brings three parcels, which are currently receiving EBMUD water service, into the EBMUD service boundary.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals for changes of organization or reorganization will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the

provision of public services. The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony and additional materials submitted, the Commission should consider taking one of the following options:

Option 1 Approve the annexation as submitted and adopt the attached resolution (Attachment 2).

1. Determine that EBMUD, as Lead Agency, found the project to be Categorically Exempt pursuant to CEQA, Section 15319.
2. The Commission determines the project is exempt pursuant to CEQA Guidelines, consistent with the determination of EBMUD acting as Lead Agency.
3. Adopt this report and approve the proposal, to be known as the *San Damiano Annexation to EBMUD* subject to the following terms and conditions:
 - a. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 - b. EBMUD has delivered an executed indemnification agreement providing for EBMUD to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
4. Find that the subject territory is uninhabited and that the annexing agency has consented to waiving the conducting authority proceedings. However, less than 100% of the affected landowners have consented to the annexation; therefore, LAFCO's approval is subject to protest proceedings.

Option 2 Adopt this report and DENY the proposal.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

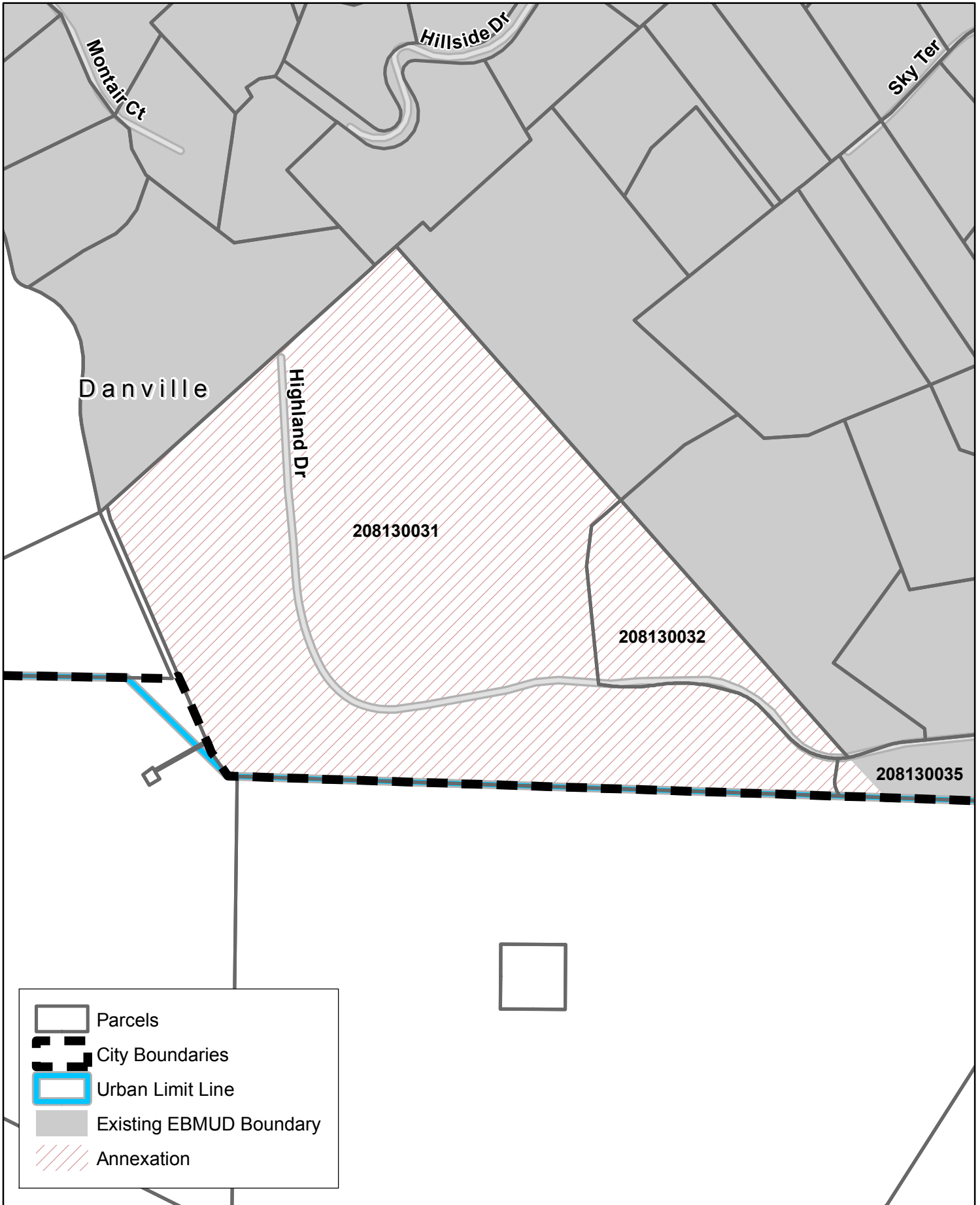
Approve Option 1.

LOU ANN TEXEIRA
EXECUTIVE OFFICER
LOCAL AGENCY FORMATION COMMISSION

Attachments

1. Annexation Map
2. LAFCO Resolution No. 12-03

LAFCO No. 12-03: San Damiano Annexation to East Bay Municipal Utility District



RESOLUTION NO. 12-03**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
SAN DAMIANO ANNEXATION TO EAST BAY MUNICIPAL UTILITY DISTRICT**

WHEREAS, a proposal to annex territory to the East Bay Municipal Utility District (EBMUD) was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Gov. Code 56000 et seq.); and

WHEREAS, the Executive Officer has examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the annexing agency has consented to waiving the conducting authority proceedings; and

WHEREAS, the Local Agency Formation Commission determines the proposal to be in the best interests of the affected area and the total organization of local governmental agencies within Contra Costa County;

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. That East Bay Municipal Utility District (EBMUD), as Lead Agency, found the project to be Categorical Exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15319.
2. That the project is exempt pursuant to CEQA Guidelines, consistent with the determination of EBMUD acting as Lead Agency.
3. Said annexation is hereby approved.
4. The subject proposal is assigned the distinctive short-form designation:

SAN DAMIANO ANNEXATION TO EAST BAY MUNICIPAL UTILITY DISTRICT

Contra Costa LAFCO
Resolution No. 12-03

5. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
6. The subject territory shall be liable for any existing bonded indebtedness of the annexing agencies, if applicable.
7. The subject territory shall be liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agencies.
8. That EBMUD delivered an executed indemnification agreement between EBMUD and Contra Costa LAFCO providing for EBMUD to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
9. The territory proposed for annexation is inhabited.
10. The proposal has less than 100% landowner consent and is subject to a protest hearing. Contra Costa LAFCO is designated to conduct the protest hearing; the authority for which has been delegated to the LAFCO Executive Officer, who shall give notice and conduct a public hearing on the matter pursuant to the Government Code.
11. All subsequent proceedings in connection with this annexation shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

* * * * *

PASSED AND ADOPTED THIS 12th day of September 2012, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

DON TATZIN, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

Dated: September 12, 2012

Lou Ann Texeira, Executive Officer



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Dwight Meadows <i>Special District Member</i>
Federal Glover <i>County Member</i>	Mary N. Piepho <i>County Member</i>
Michael R. McGill <i>Special District Member</i>	Rob Schroder <i>City Member</i>
Don Tatzin <i>City Member</i>	

ALTERNATE MEMBERS

Candace Andersen
County Member

Sharon Burke
Public Member

Tom Butt
City Member

George H. Schmidt
Special District Member

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 9

Contra Costa Local Agency Formation Commission (LAFCO)
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Northeast Antioch Monthly Update

Dear Commissioners:

On February 9, 2011 the Commission approved the extension of out of agency service by the City of Antioch and Delta Diablo Sanitation District to the Marsh Landing Generating Station (GenOn) property located in unincorporated Northeast Antioch. The Commission’s approval requires that the City and County provide LAFCO with monthly updates regarding the status of the City/County Northeast Antioch Economic Development Strategy, the proposed annexation of the area, and the tax transfer negotiations. A subcommittee was formed to address these issues.

LAFCO representatives participated in monthly subcommittee meetings since April 2011; and the City and County have provided LAFCO with monthly updates since then. The subcommittee last met in October 2011. Since then, the parties have been engaged in the tax transfer negotiations, and it was reported in June that the tax agreement is complete.

City staff previously reported that the City Council directed its staff to initiate the annexation of Areas 2A and 2B. The City is currently working to retain a consultant to assist with public outreach and education to these areas. The City also reported that in response to comments from West Coast Homebuilders on the City’s CEQA document for Area 1, City staff is amending the document to address the concerns. The revised document will be available in September.

Since the June update, City, County and LAFCO staff received Attorney General (AG) Opinion No. 10-902 relating to island annexations. The opinion concludes that LAFCO may not split a larger island into smaller segments of 150 acres or less in order to utilize the streamlined annexation procedures set forth in Government Code section 56375.3 and thereby avoid the protest proceedings that would otherwise be required. We understand that City and County staff are discussing the AG opinion and potential effects on the Northeast Antioch annexation. The Northeast Antioch Annexation Subcommittee will reconvene on October 1st.

City and County staff will be present at the September 12th LAFCO meeting.

The Commission previously appointed Commissioners McNair and Meadows (regular members) and McGill (alternate) to the Northeast Antioch Annexation Subcommittee. With the departure of Commissioner McNair, the Commission may wish to consider appointing another Commissioner to the Subcommittee.

RECOMMENDATIONS

1. Consider appointing a Commissioner to the Northeast Antioch Subcommittee; and
2. Receive the monthly update and provide further direction as appropriate.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Dwight Meadows <i>Special District Member</i>
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Special District Member

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 10

Contra Costa Local Agency Formation Commission (LAFCO)
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Fire Service and Property Tax Revenue

Dear Commissioners:

Last month, the Commission hosted a discussion regarding fire and emergency medical services. All municipal fire and emergency medical service agencies provided updates to the Commission and participated in the discussion.

One of the issues discussed was the ongoing fiscal challenges; and in particular, the effects of declining property values and reduced property tax on fire service providers which rely primarily on property tax revenues to fund services.

The Commission requested additional information regarding the cumulative impact of reduced assessed value on local agencies (Attachment 1). The attached table shows the decline in property values in absolute and percentage terms by jurisdiction from FY 2008-09 through FY 2012-13. The cities hardest hit include San Pablo, Antioch, Oakley, Hercules and Bentwood.

The Commission also requested information regarding the impact of redevelopment agency (RDA) funding on fire districts; and specifically, property tax revenue (net of pass throughs) for the last fiscal year that would have gone to fire service providers if RDAs had not existed (Attachment 2), and corresponding information for first 12 months following the dissolution of RDAs (Attachment 3). [Note: there are no RDAs within the boundaries of Crockett Carquinez Fire Protection District (unincorporated), Kensington FPD (unincorporated), and Moraga Orinda FD (i.e., Town of Moraga, City of Orinda)].

Attachments 2 and 3 were prepared by the County Auditor’s Office. Attachment 2 shows FY 2010-11 gross and net (pass throughs) RDA funding loss by fire district (and for cities within the fire districts). Attachment 3 shows FY 2011-12 gross and net RDA funding losses by fire district (and for cities within the districts), and Redevelopment Property Tax Trust Fund (RPTTF) - the fund which maintains the tax revenue activity related to redevelopment. Attachment 3 also includes a column showing RPTTF Residuals to fire districts.

One of the questions the Commission asked the fire districts in August was the amount of their annual operating budget. The table below shows FY 2010-11 and FY 2011-12 Net RDA Losses, and FY 2011-12 RPTTF Residuals as compared to annual FY 2011-12 operating expenditures (actual) by fire district. The RPTTF Residuals range from less than one percent of fire district actual expenditures (ECCFPD, RHFD, SRVFPD), to over two percent (CCCFPD).

District	FY 2010-11 Net RDA Loss	FY 2011-12 Net RDA Loss	FY 2011-12 RPTTF Residuals to Fire District	FY 2011-12 Annual Expenditures (Actual)	Residuals as Percent of Expenditures
CCCFPD	\$12,317,253	\$11,675,121	\$2,009,920	\$ 96,258,955	2.09%
ECCFPD	\$ 165,751	\$ 285,344	\$ 43,339	\$ 11,149,926	0.39%
RHFD	\$ 787,626	\$ 747,313	\$ 40,494	\$ 5,327,700	0.76%
SRVFPD	\$ 1,321,506	\$ 1,482,572	\$ 248,426	\$ 49,184,588	0.51%

LAFCO staff would like to thank LAFCO Chair Don Tatzin and the County Auditor's Office for their assistance in preparing the attached tables.

RECOMMENDATION

Receive report.

Sincerely,

Lou Ann Texeira
Executive Officer

Attachments

Change in Assessed Value by City – FY 2008-09 and FY 2012-13

FY 2010-11 RDA Loss Analysis by Fire District

FY 2011-12 RDA Loss Analysis by Fire District

c: Distribution

**Net Assessed Value and Measures of Change by Cities and Unincorporated Area in Contra Costa
County for FY2008-09 and FY2012-13**

	FY2008-09 Net AV	FY2012-13 Net AV	Change in AV from FY2008-09 Through FY2012-13	Percent Change from FY2008-09 through FY2012-13
Antioch	\$ 9,654,993,982	\$ 6,606,339,031	\$ (3,048,654,951)	-31.6%
Brentwood	7,405,323,749	5,478,345,259	(1,926,978,490)	-26.0%
Clayton	1,777,803,637	1,604,536,185	(173,267,452)	-9.7%
Concord	13,552,563,912	11,316,232,079	(2,236,331,833)	-16.5%
Danville	9,466,927,971	9,238,178,145	(228,749,826)	-2.4%
El Cerrito	2,947,812,488	2,848,616,268	(99,196,220)	-3.4%
Hercules	3,314,651,211	2,423,177,685	(891,473,526)	-26.9%
Lafayette	5,418,125,819	5,674,829,964	256,704,145	4.7%
Martinez	4,578,591,291	4,174,628,671	(403,962,620)	-8.8%
Moraga	2,935,400,513	2,979,121,946	43,721,433	1.5%
Oakley	3,376,432,314	2,445,322,267	(931,110,047)	-27.6%
Orinda	4,568,489,431	4,698,983,746	130,494,315	2.9%
Pinole	1,985,512,566	1,682,356,980	(303,155,586)	-15.3%
Pittsburg	6,098,720,415	4,976,254,120	(1,122,466,295)	-18.4%
Pleasant Hill	4,712,656,052	4,284,099,833	(428,556,219)	-9.1%
Richmond	13,752,255,886	12,751,987,659	(1,000,268,227)	-7.3%
San Pablo	1,724,999,904	1,165,133,002	(559,866,902)	-32.5%
San Ramon	15,101,325,579	14,634,072,934	(467,252,645)	-3.1%
Walnut Creek	12,855,567,849	12,239,661,586	(615,906,263)	-4.8%
Unincorporated	31,724,873,842	29,988,748,715	(1,736,125,127)	-5.5%
Total	\$ 156,953,028,411	\$ 141,210,626,075	\$ (15,742,402,336)	-10.0%

**Contra Costa County
RDA Loss by Fire District
FY 2010-11**

<u>City</u>	<u>Gross RDA Loss</u>	<u>Pass Through Payments</u>	<u>Net RDA Loss</u>
Antioch	1,212,463.27	367,875.01	844,588.26
Concord	2,038,654.13	112,484.44	1,926,169.69
Clayton	722,332.02	97,041.86	625,290.16
Pittsburg	5,790,347.31	1,257,621.00	4,532,726.31
Walnut Creek	464,038.24	0.00	464,038.24
San Pablo	1,881,428.36	155,094.04	1,726,334.32
Pleasant Hill	583,911.09	105,156.81	478,754.28
Lafayette	540,540.51	161,200.43	379,340.08
Unincorporated	1,851,662.88	511,651.11	1,340,011.77
Total Contra Costa County Fire Protection District	15,085,377.81	2,768,124.70	12,317,253.11
Brentwood	382,732.52	222,620.39	160,112.13
Oakley	137,920.18	132,281.78	5,638.40
Total East Contra Costa Fire Protection District	520,652.70	354,902.17	165,750.53
Hercules	798,183.90	0.00	798,183.90
Unincorporated	215,312.32	225,869.99	-10,557.67
Total Rodeo-Hercules Fire Protection District	1,013,496.22	225,869.99	787,626.23
Danville	442,727.79	82,829.56	359,898.23
San Ramon	1,166,664.47	205,056.44	961,608.03
Total San Ramon Valley Fire Protection District	1,609,392.26	287,886.00	1,321,506.26

ATTACHMENT 2

**Contra Costa County
RDA Loss by Fire District
FY 2011-12**

<u>City</u>	<u>Gross RDA Loss</u>	<u>Pass Through Payments</u>	<u>Net RDA Loss</u>	<u>RPTTF Residuals to Fire Districts</u>	<u>Total 11-12 Residual by Former RDA</u>	<u>% of Total RPTTF Residuals</u>
Antioch	1,153,770.27	338,058.51	815,711.76	398,163.67	2,361,757.18	16.86%
Concord	1,971,314.80	94,062.22	1,877,252.58	414,268.68	3,209,235.10	12.91%
Clayton	702,249.65	99,118.74	603,130.91	264,230.98	1,851,536.99	14.27%
Pittsburg	5,731,367.79	1,266,279.00	4,465,088.79	18,034.87	114,793.99	15.71%
Walnut Creek	106,176.11	0.00	106,176.11	36,576.58	285,809.68	12.80%
San Pablo	1,796,485.82	154,496.74	1,641,989.08	487,622.06	2,428,569.32	20.08%
Pleasant Hill	560,580.40	36,592.29	523,988.11	59,375.39	458,137.99	12.96%
Lafayette	496,892.13	143,888.60	353,003.53	0.00	0.00	0.00%
Unincorporated	1,792,864.06	504,084.02	1,288,780.04	331,647.54	2,562,909.39	12.94%
Total Contra Costa County Fire Protection District	14,311,701.03	2,636,580.12	11,675,120.91	2,009,919.77	13,272,749.64	
Brentwood	360,510.70	209,109.59	151,401.11	33,714.48	509,997.09	6.61%
Oakley	133,943.34	0.00	133,943.34	9,624.88	190,415.61	5.05%
Total East Conta Costa Fire Protection District	494,454.04	209,109.59	285,344.45	43,339.36	700,412.70	
Hercules	756,938.10	0.00	756,938.10	0.00	0.00	0.00%
Unincorporated	218,868.36	228,492.97	-9,624.61	40,494.34	2,562,909.39	1.58%
Total Rodeo-Hercules Fire Protection District	975,806.46	228,492.97	747,313.49	40,494.34	2,562,909.39	
Danville	434,006.70	84,541.62	349,465.08	186,072.43	1,059,198.79	17.57%
San Ramon	1,133,106.56	0.00	1,133,106.56	62,353.43	464,331.18	13.43%
Total San Ramon Valley Fire Protection District	1,567,113.26	84,541.62	1,482,571.64	248,425.86	1,523,529.97	



Lou Ann Teixeira
Executive Officer

MEMBERS

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Federal Glover <i>County Member</i>	Mary N. Piepho <i>County Member</i>
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George H. Schmidt <i>Special District Member</i>

September 12, 2012 (Agenda)

September 12, 2012
Agenda Item 11

Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine Street, Sixth Floor
Martinez, CA 94553

Fourth Quarter Budget Report – FY 2011-12

Dear Commissioners:

The Contra Costa Local Agency Formation Commission (LAFCO) adopts an annual budget each year in May. LAFCO's budget is primarily funded by application fees and in equal thirds by the County, the 19 cities and 44 independent special districts in Contra Costa County in accordance with State law.

The expense portion of the LAFCO budget is divided into three main objects: *Salaries/Benefits*, *Services/Supplies*, and *Contingency Reserve*. Financing sources include application charges, available year-end fund balance, miscellaneous revenues, and revenues received from the County, cities and independent special districts.

DISCUSSION

This report compares adopted and actual expenses and revenues through the fourth and final quarter of FY 2011-12 as summarized in the attached and discussed below.

On May 11, 2011, the Commission adopted a final budget for FY 2011-12 with appropriations totaling \$695,377, including an \$80,000 contingency reserve and a \$10,000 appropriation toward LAFCO's unfunded OPEB liability. FY 2011-12 actual expenditures were \$604,172.

FY 2011-12 total budgeted revenues were \$695,377; actual revenues were \$604,172. In sum, FY 2011-12 expenditures and revenues both came in under the budgeted amounts.

Expenditures - The FY 2011-12 budget included \$326,607 in *Salaries/Benefits*. Actual expenditures were \$337,512. The overage was primarily attributable to a "true-up" and increased retirement benefit costs per the Contra Costa County Employees' Retirement Association (CCCERA); and an error in the employee and employer contributions for health and dental benefits, which was corrected by the County Human Resources Department and County Auditor's Office.

The FY 2011-12 budget included \$304,770 in *Services/Supplies*. Actual expenses totaled \$256,660. Most accounts came in under budget, with the most significant savings in Professional & Specialized Services and Commissioner Training/Registration/Stipends. Those accounts and sub accounts that exceeded the budgeted amounts include Publications and Legal Notices, Mileage and Travel, Legal Services and Data Processing Services.

In FY 2011-12, the Commission budgeted \$80,000 in *Contingency Reserve*. Funds may not be drawn from the *Contingency Reserve* without Commission approval. On August 10, 2011, the Commission approved a budget adjustment and allocated \$26,000 from the Contingency Reserve to fund a special study relating to the Mt. Diablo Health Care District governance options. The total cost of the study was approximately \$23,000.

Revenues - LAFCO's funding sources include local agency (i.e., County, cities and independent special districts) contributions, application fees, other revenues (e.g. interest earnings), and available year-end fund balance. Local agency contributions represent the most significant revenue source. The statute includes provisions for apportioning and collecting these revenues. All local agencies paid their contributions in FY 2011-12.

Application fees came in under budget due to a decline in application activity and the sluggish economy. The total number of new applications received in FY 2011-12 was eight, as compared to 13 new applications in FY 2010-11. LAFCO is currently receiving no investment earnings, and awaits the County Treasurer's notice to resume investment activity based on market conditions.

With regard to the available fund balance, the statute provides that if at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year budget. The FY 2011-12 budget anticipated using \$175,000 of available fund balance to offset revenues, thereby reducing the revenues to be collected from the funding agencies. Given that FY 2011-12 costs came in below budget, the available fund balance needed to balance the FY 2011-12 budget is approximately \$89,290. The excess funds will accrue to the FY 2012-13 fund balance and will be used to offset the FY 2012-13 budget.

RECOMMENDATION

Receive and file the fourth quarter FY 2011-12 budget report.

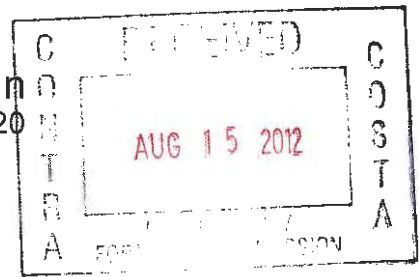
Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – FY 2011-12 Budget – Adopted and Actuals

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
FOURTH QUARTER BUDGET REPORT FY 2011-12 - BUDGET TO ACTUALS**

<u>Account name and number</u>	FY 2011-12 Approved Adjusted	FY 2011-12 Actuals	Remaining Balance
Salaries and Employee Benefits			
Permanent Salaries- 1011	\$ 188,340	\$ 191,086	\$ (2,746)
FICA- 1042	\$ 14,408	\$ 14,189	\$ 219
Retirement expense- 1044	\$ 65,847	\$ 69,347	\$ (3,500)
Employee Group Insurance- 1060	\$ 36,228	\$ 41,964	\$ (5,736)
Retiree Health Insurance- 1061	\$ 20,000	\$ 19,174	\$ 826
Unemployment Insurance- 1063	\$ 784	\$ 713	\$ 71
Workers Comp Insurance- 1070	\$ 1,000	\$ 1,039	\$ (39)
Total Salaries and Benefits	\$ 326,607	\$ 337,512	\$ (10,905)
Services and Supplies			
Office Expense- 2100 (includes courier service)	\$ 4,000	\$ 2,909	\$ 1,091
Publications -2102	\$ 300	\$ -	\$ 300
Postage -2103	\$ 3,000	\$ 1,444	\$ 1,556
Communications - 2110	\$ 240	\$ 158	\$ 82
Tele Exchange Services 2111	\$ 880	\$ 854	\$ 26
Minor Comp Equipment - 2132	\$ 2,000	\$ 2,464	\$ (464)
Pubs & Legal Notices 2190	\$ 3,000	\$ 4,444	\$ (1,444)
Memberships - 2200	\$ 8,000	\$ 7,870	\$ 130
Rents & Leases - 2250 (copier)	\$ 4,000	\$ 3,219	\$ 781
Data Processing Laserfiche Setup - 2251	\$ 1,100	\$ -	\$ 1,100
Bldg Occupancy Costs - 2262	\$ 7,282	\$ 5,312	\$ 1,970
Auto Mileage Emp. - 2301	\$ 500	\$ 774	\$ (274)
Other Travel Employees - 2303	\$ 10,000	\$ 11,656	\$ (1,656)
Prof & Spec Services - 2310	\$ 211,000	\$ 169,913	\$ 41,087
Assessor	\$ 20,800	\$ 9,633	\$ 11,167
Financial Audit	\$ 6,800	\$ 6,500	\$ 300
GIS/Mapping	\$ 25,000	\$ 10,703	\$ 14,297
Legal	\$ 40,000	\$ 80,000	\$ (40,000)
MSRs	\$ 35,000	\$ 18,342	\$ 16,659
Planning	\$ 50,000	\$ 16,964	\$ 33,036
Special Projects (document imaging)	\$ 4,400	\$ 3,159	\$ 1,241
Investment Services/Misc	\$ 500	\$ 325	\$ 175
LAFCO Sponsored Training	\$ 2,500	\$ 1,364	\$ 1,136
Special Study (MDHCD)	\$ 26,000	\$ 22,925	\$ 3,075
Contracted Temp Help - 2314 (Web)	\$ 2,340	\$ 2,340	\$ -
Data Processing Services - 2315	\$ 4,000	\$ 5,009	\$ (1,009)
Data Processing Security - 2326	\$ 100	\$ 44	\$ 56
Courier - 2331	\$ 2,200	\$ 2,045	\$ 155
NOD/NOE Filings - 2490	\$ 500	\$ 350	\$ 150
Liability/E&O Insurance - 2360	\$ 4,028	\$ 4,080	\$ (52)
Commission Training/Registration/Stipends - 2467	\$ 36,300	\$ 31,775	\$ 4,525
Total Services & Supplies	\$ 304,770	\$ 256,660	\$ 48,110
Total Expenditures	\$ 631,377	\$ 594,172	\$ 37,205
Contingency Reserve	\$ 54,000		
OPEB Trust	\$ 10,000	\$ 10,000	
TOTAL APPROPRIATIONS	\$ 695,377	\$ 604,172	\$ 91,205
Revenues	\$ 695,377	\$ 604,172	\$ 91,205
Agency contributions - 9500 & 9800	\$ 486,377	\$ 486,377	
Application & other revenues	\$ 34,000	\$ 28,505	\$ 5,495
Interest Earnings			
Fund Balance	\$ 175,000	\$ 89,290	\$ 85,710
TOTAL FINANCE SOURCES & REVENUE	\$ 695,377	\$ 604,172	\$ 91,205



August 13, 2012

September 12, 2012
Agenda Item 12

Lou Ann Texeira
651 Pine Street, 8th Floor
Martinez 94553

Re: Actuarial Information Letters

Dear Lou Ann Texeira,

We have enclosed three separate letters from The Segal Company regarding information based on the December 31, 2011 valuation. These letters will outline the following:

1. Unfunded Actuarial Accrued Liability by Employer as of December 31, 2011
2. Five Year Projection of Employer Contribution Rate Changes
3. Employer Contribution Rate Reconciliation by Cost Group as of December 31, 2011

Letters 1 and 2, as listed above, have been provided to you in the past, and outline information regarding the UAAL and the projection of contribution rate changes. Letter 3 is a new document outlining the rate reconciliation by cost group and provides additional information detailing the changes in the recommended employer contribution rates for each cost group.

Please review the enclosed information and call our office with any questions. We will be happy to discuss particulars with each individual employer.

Sincerely,

Marilyn Leedom
Retirement Chief Executive Officer

AGENDA ITEM NO. 12a



THE SEGAL COMPANY
100 Montgomery Street, Suite 500 San Francisco, CA 94104-4308
T 415 263 8228 F 415 263.8280 www.segalco.com

John W. Monroe, ASA, MAAA, EA
Vice President & Associate Actuary
jmonroe@segalco.com

August 8, 2012

Ms. Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Determination of Unfunded Actuarial Accrued Liability
for the Employers as of December 31, 2011**

Dear Marilyn:

As requested, the following provides an allocation of the Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2011 by employer.

Since the depooling action taken by the Board effective December 31, 2009, employers that are now in their own cost group have their UAAL determined separately in the valuation. For employers that do not have their own cost group, there is no UAAL maintained on an employer-by-employer basis in the valuation. In those cases, we develop contributions to fund the UAAL strictly according to payroll for each employer. We then use those UAAL contributions to develop a UAAL for each participating employer. Note that the UAAL we calculate for each employer is not necessarily the liability that would be allocated to that employer in the event of a plan termination by that employer.

Based on the above method, we have prepared the following breakdown of the UAAL for each participating employer as shown on the enclosed Exhibit.

These calculations are based on the December 31, 2011 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

Benefits, Compensation and HR Consulting Offices throughout the United States and Canada

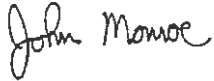


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Ms. Marilyn Leedom
August 8, 2012
Page 2

The undersigned is a member of the American Academy of Actuaries and meets the qualification requirements to render the actuarial opinion contained herein.

Sincerely,

A handwritten signature in cursive script that reads "John Monroe".

John Monroe

AW/gxk

cc: Kurt Schneider

**Contra Costa County Employees' Retirement Association
UAAL Breakdown**

Employer	Unfunded Actuarial Accrued Liability (UAAL)
County	\$1,037,535,000
Superior Court	39,568,000
Districts:	
Bethel Island Municipal Improvement District	257,000
Byron, Brentwood, Knightsen Union Cemetery District	137,000
Central Contra Costa Sanitary District	109,169,000
First Five - Contra Costa Children & Families Commission	3,995,000
Contra Costa County Employees' Retirement Association	7,143,000
Contra Costa Fire Protection District	130,737,000
Contra Costa Housing Authority	10,978,000
Contra Costa Mosquito and Vector Control District	7,044,000
East Contra Costa Fire Protection District	22,721,000
In-Home Supportive Services Authority	1,598,000
Local Agency Formation Commission	491,000
Moraga-Orinda Fire Protection District	24,381,000
Rodeo Sanitary District	413,000
Rodeo-Hercules Fire Protection District	11,266,000
San Ramon Valley Fire Protection District	81,160,000
Total:	\$1,488,593,000



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August 8, 2012

Ms. Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association
Five-Year Projection of Employer Contribution Rate Changes**

Dear Marilyn:

As requested, we have updated our five-year projection of estimated employer contribution rate changes for CCCERA. This projection is derived from the December 31, 2011 actuarial valuation results. Key assumptions and methods are detailed below.

Results

The estimated contribution rate changes shown on the next page apply to the recommended average employer contribution rate. For purposes of this projection, the rate changes are assumed to be from asset gains and losses that are funded as a level percentage of the Association's total active payroll base. The asset gains and losses are due to: (1) deferred gains and losses from the actuarial asset smoothing methodology; (2) losses due to investment income not earned on the difference between the Actuarial Value of Assets (AVA) and Market Value of Assets (MVA); and (3) contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date.

The following table provides the year-to-year rate changes from each of the above causes and the cumulative rate change over the five-year projection period. To obtain the estimated average employer contribution rate at each successive valuation date, these cumulative rate changes should be added to the rates developed from the December 31, 2011 valuation. These rate changes become effective 18 months following the actuarial valuation date shown in the table.

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The rate changes shown below represent the average rate for the aggregate plan.

Rate Change Component	Valuation Date (12/31)				
	2012	2013	2014	2015	2016
(1) Deferred (Gains)/Losses	3.43%	0.59%	-0.35%	0.10%	0.38%
(2) Loss of Investment Income on Difference Between AVA and MVA	0.33%	0.06%	0.01%	0.04%	0.03%
(3) 18-Month Rate Delay	<u>0.40%</u>	<u>0.44%</u>	<u>0.24%</u>	<u>0.03%</u>	<u>0.01%</u>
Incremental Rate Change	4.16%	1.09%	-0.10%	0.17%	0.42%
Cumulative Rate Change	4.16%	5.25%	5.15%	5.32%	5.74%

The difference between these cumulative rate changes and those shown in our March 22, 2012 letter (i.e., previous five-year projection) are as follows:

	Valuation Date (12/31)				
	2011	2012	2013	2014	2015
Cumulative Rate Change From March 22, 2012 Letter	3.39%	7.24%	8.21%	8.08%	8.20%
Reflecting Actual Experience through 12/31/2011	3.38% ¹	7.54%	8.63%	8.53%	8.70%
Difference	-0.01%	0.30%	0.42%	0.45%	0.50%

These differences are mainly due to the inclusion of actual experience from the December 31, 2011 valuation instead of projected experience that was part of the previous projection.

The average employer contribution rate as of the December 31, 2011 Actuarial Valuation is 37.87%, and based on the cumulative rate changes above is projected to progress as shown below.

	Valuation Date (12/31)				
	2012	2013	2014	2015	2016
Average Employer Contribution Rate	42.03%	43.12%	43.02%	43.19%	43.61%

¹ Actual change in the average employer contribution rate as shown on page 50 of the December 31, 2011 valuation.

The rate change for an individual cost group or employer will vary depending primarily on the size of that group's assets and liabilities relative to its payroll. The ratio of the group's assets to payroll is sometimes referred to as the volatility index (VI). A higher VI results in more volatile contributions and can result from the following factors:

- > More generous benefits
- > More retirees
- > Older workforce
- > Shorter careers
- > Issuance of Pension Obligation Bonds (POBs)

The attached exhibit shows the VI for CCCERA's cost groups along with the "relative VI" which is the VI for that specific cost group divided by the average VI for the aggregate plan. Using these ratios we have estimated the rate change due to these generally investment related net losses for each individual cost group by multiplying the rate changes shown above for the aggregate plan by the relative VI for each cost group. These estimated rate changes for each cost group are shown in the attached exhibit.

Note that because we have estimated the allocation of the rate changes across the cost groups, the actual rate changes by group may differ from those shown in the exhibit, even if the plan-wide average rate changes are close to those shown above.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- > December 31, 2011 non-economic assumptions remain unchanged.
- > December 31, 2011 retirement benefit formulas remain unchanged.
- > December 31, 2011 1937 Act statutes remain unchanged.
- > UAAL amortization method remains unchanged (i.e., 18-year layers, level percent of pay).
- > December 31, 2011 economic assumptions remain unchanged, including the 7.75% investment earnings assumption.
- > We have assumed that returns of 7.75% are actually earned on a market value basis for each of the next four years after 2011.
- > Active payroll grows at 4.25% per annum.
- > Deferred investment gains and losses are recognized per the asset smoothing schedule prepared by the Association as of December 31, 2011. They are funded as a level percentage of the Association's total active payroll base.

- Deferred investment gains are all applied directly to reduce the UAAL. Note that this assumption may not be entirely consistent with the details of the Board's Interest Crediting and Excess Earnings Policy.
- The VI used for these projections is based on the December 31, 2011 Actuarial Valuation and is assumed to stay constant during the projection period.
- All other actuarial assumptions used in the December 31, 2011 actuarial valuation are realized.
- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance.

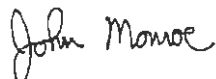
Finally, we emphasize that projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Unless otherwise noted, all of the above calculations are based on the December 31, 2011 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these projections were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



John Monroe

AW/gxk
Enclosure

cc: Kurt Schneider

Exhibit
Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2011 Valuation

	CG#1 & CG#2 Combined Enhanced General Tier 1 & 3	CG#3 Enhanced CCC Sanitary District Tier 1	CG#4 Enhanced Housing Authority Tier 1	CG#5 Enhanced CCCFFPD Tier 1	CG#6 Non-Enhanced District Tier 1
Market Value of Assets (MVA)*	\$2,791,051,968	\$168,880,730	\$33,106,617	\$34,055,510	\$3,977,453
Projected Payroll for 2012	\$483,579,864	\$24,734,871	\$5,625,516	\$3,512,267	\$760,772
Volatility Index (VI) = MVA/Payroll	5.77	6.83	5.89	9.70	5.23
Relative Volatility Index (VI) = CG VI / Total Plan VI	0.76	0.90	0.78	1.28	0.69
Estimated Incremental Rate Change as of 12/31/2012	3.18%	3.76%	3.24%	5.34%	2.88%
Estimated Incremental Rate Change as of 12/31/2013	0.83%	0.98%	0.85%	1.40%	0.75%
Estimated Incremental Rate Change as of 12/31/2014	-0.08%	-0.09%	-0.08%	-0.13%	-0.07%
Estimated Incremental Rate Change as of 12/31/2015	0.13%	0.15%	0.13%	0.22%	0.12%
Estimated Incremental Rate Change as of 12/31/2016	0.32%	0.38%	0.33%	0.54%	0.29%
Cumulative Rate Change as of 12/31/2012	3.18%	3.76%	3.24%	5.34%	2.88%
Cumulative Rate Change as of 12/31/2013	4.01%	4.74%	4.09%	6.74%	3.63%
Cumulative Rate Change as of 12/31/2014	3.93%	4.65%	4.01%	6.61%	3.56%
Cumulative Rate Change as of 12/31/2015	4.06%	4.80%	4.14%	6.83%	3.68%
Cumulative Rate Change as of 12/31/2016	4.38%	5.18%	4.47%	7.37%	3.97%

	CG#7 & CG#9 Combined Enhanced County Safety Tier A & C	CG#8 Enhanced CCCFFPD/East CCCFFPD Safety Tier A	CG#10 Enhanced Moraga-Orinda FD Safety Tier A	CG#11 Enhanced San Ramon Valley FD Safety Tier A	CG#12 Non-Enhanced Rodeo-Hercules FPD Safety Tier A
Market Value of Assets (MVA)*	\$1,041,640,039	\$631,130,767	\$113,147,927	\$201,642,866	\$19,254,955
Projected Payroll for 2012	\$82,120,783	\$37,604,378	\$7,516,620	\$18,962,214	\$1,976,861
Volatility Index (VI) = MVA/Payroll	12.68	16.78	15.05	10.63	9.74
Relative Volatility Index (VI) = CG VI / Total Plan VI	1.68	2.22	1.99	1.41	1.29
Estimated Incremental Rate Change as of 12/31/2012	6.98%	9.24%	8.28%	5.85%	5.36%
Estimated Incremental Rate Change as of 12/31/2013	1.83%	2.42%	2.17%	1.53%	1.40%
Estimated Incremental Rate Change as of 12/31/2014	-0.17%	-0.22%	-0.20%	-0.14%	-0.13%
Estimated Incremental Rate Change as of 12/31/2015	0.29%	0.38%	0.34%	0.24%	0.22%
Estimated Incremental Rate Change as of 12/31/2016	0.70%	0.93%	0.84%	0.59%	0.54%
Cumulative Rate Change as of 12/31/2012	6.98%	9.24%	8.28%	5.85%	5.36%
Cumulative Rate Change as of 12/31/2013	8.81%	11.66%	10.45%	7.38%	6.76%
Cumulative Rate Change as of 12/31/2014	8.64%	11.44%	10.25%	7.24%	6.63%
Cumulative Rate Change as of 12/31/2015	8.93%	11.82%	10.59%	7.48%	6.85%
Cumulative Rate Change as of 12/31/2016	9.63%	12.75%	11.43%	8.07%	7.39%

Total Plan
\$5,037,888,833
\$666,394,146
7.56
1.00
4.16%
1.09%
-0.10%
0.17%
0.42%
4.16%
5.25%
5.15%
5.32%
5.74%

* Excludes Post Retirement Death Benefit reserve.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.



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August 8, 2012

Ms. Marilyn Leedom
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association
Employer Contribution Rate Reconciliation by Cost Group
December 31, 2011 Actuarial Valuation**

Dear Marilyn:

As requested, we are providing a reconciliation of employer contribution rate changes separately for each of the twelve cost groups. The attached exhibit details the changes in the recommended employer contribution rates for each cost group from the December 31, 2010 valuation to the December 31, 2011 valuation.

OBSERVATIONS

- The average employer rate increased from 34.49% of payroll as of December 31, 2010 to 37.87% of payroll as of December 31, 2011. As discussed in our December 31, 2011 actuarial valuation report, this increase was primarily due to the investment return on actuarial value that fell short of the 7.75% assumed rate. This investment loss increased the average employer contribution rate by 3.00% of payroll. This loss was allocated to each cost group in proportion to the assets for each cost group. The estimated impact of this loss varies by cost group with the Safety cost groups experiencing larger rate increases.
- Note that there were also changes in the employer rates caused by the 18-month delay in implementation of the contribution rates calculated in the December 31, 2010 valuation, the effect of actual versus expected individual salary increases, the effect of actual versus expected total payroll growth and the effect of lower than expected COLA increases.

Benefits, Compensation and HR Consulting Offices throughout the United States and Canada



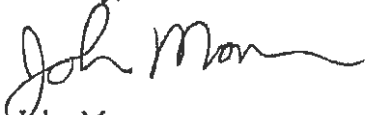
Founding Member of the Multinational Group of Actuaries and Consultants, a global affiliation of independent firms

Ms. Marilyn Leedom
August 8, 2012
Page 2

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



John Monroe

AW/hy
Enclosures

EXHIBIT

**Reconciliation of Recommended Employer Contribution
from December 31, 2010 to December 31, 2011 Valuation**

	Cost Group #1 General County and Small Districts Tier 1	Cost Group #2 General County and Small Districts Tier 3	Cost Group #3 Central Contra Costa Sanitary District Tier 1	Cost Group #4 Contra Costa Housing Authority Tier 1	Cost Group #5 Contra Costa County Fire Protection District Tier I	Cost Group #6 Small Districts Non-enhanced Tier 1
Recommended Employer Contribution Rate in December 31, 2010 Valuation	29.16%	26.50%	53.91%	33.96%	25.71%	27.37%
Effect of investment (gain)/loss ⁽¹⁾	2.29%	2.29%	2.70%	2.34%	3.87%	2.10%
Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in 12/31/2010 valuation	0.36%	0.36%	1.33%	0.13%	0.63%	-0.13%
Effect of lower than expected individual salary increases ⁽²⁾	-0.81%	-0.81%	-0.36%	-0.95%	-1.00%	-0.94%
Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total salary ⁽³⁾	0.96%	0.96%	1.08%	-0.21%	2.05%	-0.07%
Effect of lower than expected COLA increases ⁽⁴⁾	-0.42%	-0.42%	-0.64%	-0.48%	-0.78%	-0.19%
Effect of net other experience (gains)/losses ⁽⁵⁾	<u>0.99%</u>	<u>-0.10%</u>	<u>0.34%</u>	<u>0.47%</u>	<u>0.27%</u>	<u>-3.26%</u>
Total Change	<u>3.37%</u>	<u>2.28%</u>	<u>4.45%</u>	<u>1.30%</u>	<u>5.04%</u>	<u>-2.49%</u>
Recommended Employer Contribution Rate in December 31, 2011 Valuation	32.53%	28.78%	58.36%	35.26%	30.75%	24.88%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions.

⁽¹⁾ Return on the valuation value of assets of 2.77% was less than the 7.75% assumed in the valuation.

⁽²⁾ Lower individual salary increases decrease costs.

⁽³⁾ Total payroll growth lower/(greater) than the 4.25% assumed in the valuation increases/(decreases) the UAAL contribution rate, since the remaining UAAL is amortized over a lower/(greater) payroll.

⁽⁴⁾ The actual COLAs granted on April 1, 2011 were less than those assumed for some retirees and beneficiaries.

⁽⁵⁾ Other differences in actual versus expected experience including (but not limited to) mortality, disability, withdrawal, retirement and terminal pay experience.

EXHIBIT

Reconciliation of Recommended Employer Contribution from December 31, 2010 to December 31, 2011 Valuation							
	Cost Group #7 Safety County Tier A	Cost Group #8 Contra Costa and East Fire Protection Districts Tier A	Cost Group #9 Safety County Tier C	Cost Group #10 Moraga- Orinda Fire District Safety A	Cost Group #11 San Ramon Valley Fire District Safety A	Cost Group #12 Rodeo- Hercules Fire Protection District Non-embanced Safety A	Total Average Recommended Rate
Recommended Employer Contribution Rate in December 31, 2010 Valuation	58.87%	52.78%	52.03%	44.70%	63.55%	58.04%	34.49%
Effect of investment (gain)/loss ⁽¹⁾	5.03%	6.65%	5.03%	5.98%	4.21%	3.84%	3.00%
Effect of difference in actual versus expected contributions due to delay in implementation of contribution rates calculated in 12/31/2010 valuation	0.89%	1.36%	0.89%	1.01%	0.71%	1.58%	0.54%
Effect of lower than expected individual salary increases ⁽²⁾	-0.89%	-1.53%	-0.89%	-0.61%	-1.74%	-1.14%	-0.87%
Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total salary ⁽³⁾	3.26%	0.74%	3.26%	1.54%	2.53%	6.80%	1.27%
Effect of lower than expected COLA increases ⁽⁴⁾	-1.10%	-1.48%	-1.10%	-1.37%	-0.65%	-0.64%	-0.59%
Effect of net other experience (gains)/losses ⁽⁵⁾	<u>0.36%</u>	<u>0.53%</u>	<u>-0.03%</u>	<u>1.69%</u>	<u>-0.22%</u>	<u>4.05%</u>	<u>0.03%</u>
Total Change	<u>7.55%</u>	<u>6.27%</u>	<u>7.16%</u>	<u>8.24%</u>	<u>4.84%</u>	<u>14.49%</u>	<u>3.38%</u>
Recommended Employer Contribution Rate in December 31, 2011 Valuation	66.42%	59.05%	59.19%	52.94%	68.39%	72.53%	37.87%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions.

⁽¹⁾ Return on the valuation value of assets of 2.77% was less than the 7.75% assumed in the valuation.

⁽²⁾ Lower individual salary increases decrease costs.

⁽³⁾ Total payroll growth lower/(greater) than the 4.25% assumed in the valuation increases/(decreases) the UAAL contribution rate, since the remaining UAAL over a lower/(greater) payroll.

⁽⁴⁾ The actual COLAs granted on April 1, 2011 were less than those assumed for some retirees and beneficiaries.

⁽⁵⁾ Other differences in actual versus expected experience including (but not limited to) mortality, disability, withdrawal, retirement and terminal pay experience.

MEMO



Date: August 20, 2012

To: Employers, District Boards
Employee Representatives,
Other Interested Parties

From: Marilyn Leedom, Retirement Chief Executive Officer

Subject: Board Meeting, August 29, 2012

In the next week, you will receive the agenda for the Retirement Board meeting on August 29, 2012.

Of particular interest, The Segal Company will present an educational presentation on the new GASB Statements 67 and 68, which specifically apply to pension systems and state and local government employers. Statement No. 67, Financial Reporting for Pension Plans (which replaces GASB Statement No. 25), revises existing guidance for the financial reports of most pension plans. Statement No. 68 (which replaces GASB Statement No. 27), Accounting and Financial Reporting for Pensions, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

In addition, The Segal Company will provide an educational session on the economic assumptions previously adopted by the Board, and used in the calculation of the annual CCCERA actuarial valuations. The last "Review of Economic Assumptions" report was presented to the Board of Retirement in March 2010. This report, which will be the basis for the educational session, is available on our website at www.cccera.org under the publications tab.

The Contra Costa County Employees' Retirement Association Board adopts new economic assumptions every three years, and is scheduled to review these again in early 2013. This is your opportunity to learn more about the process, ask questions, and gain an understanding of this important subject.

This is an opportunity for all interested parties, including staff and Boards of our participating employers, to learn more about the actuarial process. The Segal Company will provide the education on these important subjects.

We invite you to attend this meeting, ask questions and learn more about these critical subjects.





Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax: 925.646.5747

RETIREMENT BOARD MEETING
SPECIAL MEETING
9:00 a.m.

August 29, 2012

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way
Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the July 25 and July 26, 2012 meetings.
4. Educational presentation from The Segal Co. regarding GASB 67 and 68 Statements.
5. Educational presentation from The Segal Co. regarding the economic assumption setting process, using the March 2, 2010 report as an example.
6. Consider and take possible action to adopt contribution rates effective July 1, 2013.
7. Consider and take possible action on request from County for contributions rates for new tiers as outlined in SB 1494.
8. Review of total portfolio performance including:
 - a. Consideration of any managers already under review or to be placed under review.
 - b. Consideration of any changes in allocations to managers.
9. Review of Administrative Budget vs. Actual through June 30, 2012.
10. Consider authorizing the attendance of Board and/or staff:
 - a. 3rd Annual BancFund Partners Retreat, Carpenter Community BancFund, September 5 – 7, 2012, Newport Coast, CA.
 - b. Roundtable for Consultants and Institutional Investors, Institutional Investor, October 15 – 17, 2012, Chicago, IL.
11. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

AGENDA ITEM NO. 12c

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

CALAFCO Daily Legislative Report as of 9/5/2012

September 12, 2012
Agenda Item 14a

1

[AB 1098](#) **(Carter D) Vehicle license fees: allocation.**

Current Text: Enrollment: 9/1/2012 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 8/30/2012

Status: 9/1/2012-From committee: That the Senate amendments be concurred in. (Ayes 11. Noes 3.) (August 31). Assembly Rule 63 suspended. Urgency clause adopted. Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 57. Noes 7.).

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapted
Dead	1st House				2nd House				Conc.			

Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula, second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula, and third to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Last minute "gut and amend" bill which restored VLF funding to cities incorporated -- and inhabited annexations -- since 2004.

[AB 2238](#) **(Perea D) Public water systems: drinking water.**

Current Text: Amended: 8/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 8/24/2012

Status: 8/31/2012-Senate Rule 29.3(b) suspended. From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 1.) (August 31). Re-referred to Com. on APPR.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapted
Dead	1st House				2nd House				Conc.			

Summary:

Current law establishes the Emergency Clean Water Grant Fund (Grant Fund), which is continuously appropriated for the purpose of providing financial assistance to public water systems and funding emergency actions, as defined by the department, to ensure the availability of safe drinking water supplies. Current law requires the department to determine the definition of what constitutes an emergency requiring an alternative or improved water supply. Current law authorizes the State Department of Public Health to expend funds from the Grant Fund for these purposes, including, but not limited to, the payment of specified actions. This bill would eliminate the requirement that the department develop a definition of what constitutes an emergency and would instead provide a definition of a public health emergency as an unexpected event that requires immediate action, as specified. This bill would authorize the department to expend the moneys from the Grant Fund if the department determines that a public health emergency has occurred and would list the provision of interim water treatment as one of the listed specified actions for which the department may provide payment. By revising and expanding the application of funds in the Grant Fund, the bill would make an appropriation. This bill would limit the provision of an alternative water supply to \$50,000 per public water system per public health emergency. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter - June 2012](#)

[CALAFCO Remove Opposition Letter - May 2012](#)

[CALAFCO Opposition Letter - Amended Bill - April 19 2012](#)

[CALAFCO Opposition Letter - March 2012](#)

Position: Support

Subject: Water, Municipal Services

CALAFCO Comments: This bill has been significantly amended to address the concerns raised by CALAFCO. The requirements for LAFCo to conduct reorganization studies in all water and wastewater MSRs has been entirely removed. There are no mandates or requirements for LAFCo in the June amended bill. The bill now would require local water agencies which receive grants for a feasibility study to consider reorganization and efficiency

recommendations in a LAFCo MSR, SOI update or special study in that study. It also requires the Department of Public Health to consult with the LAFCo prior to issuing infrastructure grants to ensure alternative delivery options identified by a LAFCo were considered in the feasibility study.

AB 2624 (Smyth R) Sustainable communities.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 8/17/2012-Failed Deadline pursuant to Rule 61(b)(14). (Last location was S. APPR. on 8/16/2012)

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

Summary:

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters at the November 7, 2006, statewide general election makes about \$5,400,000,000 in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Current law establishes the Strategic Growth Council and appropriated \$500,000 from the funding provided by the initiative to the Natural Resources Agency to support the council and its activities. The council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Attachments:

[CALAFCO Support Letter - April 2012](#)

Position: Support

Subject: Sustainable Community Plans

CALAFCO Comments: Makes LAFCo an eligible agency to apply for Strategic Growth Council grants. Sponsored by CALAFCO.

AB 2698 (Committee on Local Government) Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Chaptered: 7/9/2012 [pdf](#) [html](#)

Introduced: 3/21/2012

Last Amended: 6/6/2012

Status: 7/9/2012-Chaptered by the Secretary of State, Chapter Number 62, Statutes of 2012

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Current law provides that an application to annex a contiguous disadvantaged community is not required if a commission finds that a majority of the residents within the affected territory are opposed to annexation. This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation. This bill contains other related provisions and other current laws.

Attachments:

[Request for Governor's Signature - 25 June 2012](#)

[CALAFCO Support Letter - 1 May 2012](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO-sponsored annual CKH Omnibus bill. Amended on April 30th to include CALAFCO protest provision and waiver of notice and hearing language.

SB 1498 (Emmerson R) Local agency formation commission: powers.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 3/22/2012)

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Current law authorizes the commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an current or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances. This bill would additionally authorize the commission to authorize a city or district to provide new or current services outside its jurisdictional boundaries and outside its sphere of influence to support current or planned uses involving public or private properties, subject to approval at a noticed public hearing, in which certain determinations are made. The bill would also

authorize the commission to delegate to its executive officer the approval of certain requests to authorize a city or district to provide new or extended services outside its jurisdictional boundaries or outside its sphere of influence, as described above, under specified circumstances. The bill would also make certain technical, nonsubstantive, and conforming changes. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Disadvantaged Communities, Municipal Services

CALAFCO Comments: Sponsored by the League of Cities, this bill does two things: 1) it includes the CALAFCO proposed language on expanding out-of-agency service authority (56133) and 2) removes the annexation requirements from SB 244. Those provisions require a city to apply to annex a disadvantaged unincorporated community if they apply to annex adjacent uninhabited territory. It is anticipated this bill will be completely gutted and amended and changed to Senator Wolk as the author. The anticipated direction is to further amend the definition of a disadvantaged unincorporated community. The League is continuing its efforts to remove or significantly modify the DUC annexation requirements when a city applies for an uninhabited annexation adjacent to a DUC.

SB 1566 (Negrete McLeod D) Vehicle license fees: allocation.

Current Text: Amended: 4/10/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 4/10/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/24/2012)

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

Summary:

Current law requires that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require, on and after July 1, 2012, that those revenues be distributed first to each city that was incorporated from an unincorporated territory after August 5, 2004, in an amount determined pursuant to a specified formula , second to each city that was incorporated before August 5, 2004, in an amount determined pursuant to a specified formula , and third to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties . By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Annexation Proceedings, Tax Allocation

CALAFCO Comments: This problem would correct the VLF problem created by last year's budget bill SB 89, and restore VLF to recent incorporations and inhabited annexations.

2

AB 46 (John A. Pérez D) Local government: cities.

Current Text: Amended: 6/28/2011 [pdf](#) [html](#)

Introduced: 12/6/2010

Last Amended: 6/28/2011

Status: 8/29/2011-Read third time. Refused passage. (Ayes 13. Noes 17. Page 2084.)

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the procedures for incorporations and changes of organizations of cities, including procedures for disincorporation. This bill would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into that city's respective county as of 91 days after the effective date of the bill, unless a county board of supervisors determines, by majority vote within the 90-day period following enactment of these provisions, that continuing such a city within that county's boundaries would serve a public purpose if the board of supervisors determines that the city is in an isolated rural location that makes it impractical for the residents of the community to organize in another form of local governance. The bill would also require the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city, as specified. This bill contains other related provisions.

Position: None at this time

Subject: Disincorporation/dissolution

CALAFCO Comments: As written this bill applies only to Vernon, California. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following

disincorporation.

AB 781 (John A. Pérez D) Local government: counties: unincorporated areas.

Current Text: Amended: 8/29/2011 [pdf](#) [html](#)

Introduced: 2/17/2011

Last Amended: 8/29/2011

Status: 8/30/2012-Ordered to inactive file pursuant to Senate Rule 29. Ordered to inactive file at the request of Senator Dutton.

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the procedures for incorporations and changes of organizations of cities, including procedures for disincorporation. This bill would authorize the board of supervisors of a county in which a city that will be disincorporated pursuant to statute is located to vote to continue that city if, after receipt of an audit conducted by the State Auditor, the board of supervisors determines that the territory to be disincorporated is not expected to generate revenues sufficient to provide public services and facilities, maintain a reasonable reserve, and pay its obligations during the 5 years following disincorporation. The bill would require a city that is audited pursuant to these provisions to reimburse the State Auditor for the costs incurred to perform the audit, thereby imposing a state-mandated local program. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Disincorporation/dissolution, Special District Principle Acts

CALAFCO Comments: This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation.

AB 2208 (Perea D) Water quality.

Current Text: Amended: 8/24/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Last Amended: 8/24/2012

Status: 8/27/2012-Read second time. Ordered to third reading. Re-referred to Com. on RLS. pursuant to Senate Rule 29.10(c).

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Current law, the Porter-Cologne Water Quality Control Act, establishes the State Water Pollution Control Revolving Fund program pursuant to which state and federal funds are continuously appropriated from the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for the construction of publicly owned treatment works by a municipality, the implementation of a management program, the development and implementation of a conservation and management plan, and other related purposes in accordance with the federal Clean Water Act and the state act. Current law authorizes the board, until 2014, to assess a specified annual charge in connection with any financial assistance made pursuant to the revolving fund program in lieu of interest that otherwise would be charged and requires the proceeds generated from the imposition of the annual charge in lieu of interest to be deposited in the State Water Pollution Control Revolving Fund Small Community Grant Fund (grant fund), along with any interest earned upon the moneys in the grant fund. Current law provides that the annual charge in lieu of interest remain unchanged until 2014, at which time it will terminate and be replaced by an identical interest rate, and prohibits the deposit of more than \$50,000,000 into the grant fund. Current law authorizes the board to expend the moneys in the grant fund, upon appropriation by the Legislature, for grants for eligible projects under the revolving fund program that serve small communities, as defined. This bill would authorize the board to assess the charge in lieu of interest until 2019. This bill contains other related provisions.

Position: Watch

Subject: Water

CALAFCO Comments: While currently this bill does not directly affect LAFCos it is sponsored by the same people at AB 2238 (CRLA) and is in many ways tied to that bill. The current amendments do affect water and wastewater agencies which may be of concern to LAFCos and CALAFCO. It is also likely this bill will be significantly amended but at this time we don't know where it is going.

AB 2210 (Smyth R) County assessors: notification.

Current Text: Amended: 5/21/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Last Amended: 5/21/2012

Status: 7/6/2012-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. G. & F. on 6/14/2012)

2 Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Current law requires a county assessor, upon the request of the governing body of the jurisdiction where the assessor performs the duty of assessing taxes, to furnish an estimate of the assessed valuation of property within the jurisdiction for the succeeding fiscal year. This bill would require the assessor, upon a request by the

board of supervisors to furnish an estimate of the assessed valuation of property within the county for the succeeding fiscal year, to estimate whether property valuations have decreased by 3% or more and, if so, require the assessor to issue a written report to the board of supervisors within 30 days. This bill would require the assessor to, within 15 days of notifying the board of supervisors, also notify the Department of Finance and all cities and affected school districts within the county .

Position: None at this time

Subject: Annexation Proceedings

CALAFCO Comments: Placeholder bill on property tax exchange agreements.

AB 2418 (Gordon D) Health districts.

Current Text: Amended: 5/1/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/16/2012)

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Current law, the Local Health Care District Law, authorizes a local health care district to generate revenue through an annual assessment on real and personal property within the district . This bill would require a health care district to spend at least 95% of the revenue derived from an annual general tax levy on current community health care benefits, as specified. The bill would expressly exclude from the definition of community health care benefits the salari es paid and benefits provided to staff of the districts and benefits provided to board members, among other items. By increasing the duties of local officials, this bill would impose a state-mandated local program . This bill contains other related provisions and other current laws.

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: Limits the amount of general tax levy revenue a healthcare district may spend on administrative costs. Excludes the costs of staff/board salaries and benefits. Specifies what tax levy revenues may be spent on, including powers authorized by LAFCo.

ACA 17 (Logue R) State-mandated local programs.

Current Text: Introduced: 2/15/2011 [pdf](#) [html](#)

Introduced: 2/15/2011

Status: 4/14/2011-Referred to Com. on L. GOV.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (Correa D) Public officials: compensation disclosure.

Current Text: Amended: 6/2/2011 [pdf](#) [html](#)

Introduced: 12/9/2010

Last Amended: 6/2/2011

Status: 8/22/2011-In Assembly. Read first time. Held at Desk.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapted
	1st House				2nd House							

Summary:

Current provisions of the Political Reform Act of 1974 require certain persons employed by agencies to file annually a written statement of the economic interests they possess during specified periods. The act requires that state agencies promulgate a conflict of interest code that must contain, among other topics, provisions that require designated employees to file statements disclosing reportable investments, business positions, interests in real property, and income. The act requires that every report and statement filed pursuant to the act is a public record and is open to public inspection. This bill would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill

contains other related provisions and other current laws.

Attachments:

[CALAFCO Opposition Letter](#)

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

SB 191 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/16/2011 [pdf](#) [html](#)

Introduced: 2/8/2011

Last Amended: 5/16/2011

Status: 5/25/2012-In Assembly. Held at Desk.

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

Summary:

This bill would enact the First Validating Act of 2011, 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.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 192 (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 8/27/2012 [pdf](#) [html](#)

Introduced: 2/8/2011

Last Amended: 8/16/2012

Status: 8/27/2012-Enrolled and presented to the Governor at 1:30 p.m.

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

Summary:

This bill would enact the Validating Act of 2012, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 317 (Rubio D) Kings River Fisheries Management Program.

Current Text: Amended: 8/26/2011 [pdf](#) [html](#)

Introduced: 2/14/2011

Last Amended: 8/26/2011

Status: 8/27/2012-Ordered to inactive file on request of Assembly Member Charles Calderon.

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

Summary:

Current law authorizes the Department of Fish and Game to enter into contracts for fish and wildlife habitat preservation, restoration, and enhancement with public and private entities whenever the department finds that the contracts will assist in meeting the department's duty to preserve, protect, and restore fish and wildlife. This bill would reenact those provisions, to be operative indefinitely, and would require that expenditures made pursuant to those provisions only be funded, upon appropriation by the Legislature, from moneys that are not from a General Fund or general obligation bond source. This bill contains other current laws.

Subject: CEQA

CALAFCO Comments: This bill is expected to be amended during the end of the session rush to reform CEQA; primarily by exempting projects that a consistent with a previously approved CEQA document (such as a general or specific plan). High speed rail and the delta by-pass are also expected to be exempted from CEQA in the bill.

SB 804 (Corbett D) Health care districts: transfers of assets.

Current Text: Enrolled: 8/31/2012 [pdf](#) [html](#)

Introduced: 2/18/2011

Last Amended: 6/6/2012

Status: 8/29/2012-Assembly amendments concurred in. (Ayes 21. Noes 13.) Ordered to engrossing and enrolling.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered

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

Summary:

Current law authorizes a health care district to transfer, for the benefit of the communities served by the district, in the absence of adequate consideration, any part of the assets of the district to one or more nonprofit corporations to operate and maintain the assets. Current law deems a transfer of 50% or more of the district's assets to be for the benefit of the communities served only upon the occurrence of specified conditions. This bill would include among the above-described conditions the inclusion within the transfer agreement of the appraised fair market value of any asset transferred to the nonprofit corporation, as specified. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Current law allows the transfer of Health Care District assets to a non profit to operate and maintain the asset. This bill would include in the transfer, the transfer of the fair market value of the asset.

SB 1002 (Yee D) Public records: electronic format.

Current Text: Enrollment: 8/31/2012 [pdf](#) [html](#)

Introduced: 2/6/2012

Last Amended: 8/20/2012

Status: 8/31/2012-In Senate. Concurrence in Assembly amendments pending. Assembly amendments concurred in. (Ayes 23. Noes 3.) Ordered to engrossing and enrolling.

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

Summary:

The California Public Records Act requires state and local agencies to make their records available for public inspection and, upon request of a person, to provide a copy of a public record unless the record is exempt from disclosure. The act requires an agency that has information that constitutes an identifiable public record not otherwise exempt from disclosure that is in an electronic format to make that information available in an electronic format when requested by a person. The act requires the agency to make the information available in an electronic format in which it holds the information. This bill would make technical, nonsubstantive changes to these provisions. This bill contains other related provisions and other current laws.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: Would add additional requirements for public electronic access to public documents.

SB 1084 (La Malfa R) Local government: reorganization.

Current Text: Introduced: 2/14/2012 [pdf](#) [html](#)

Introduced: 2/14/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/1/2012)

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

Summary:

Current law, for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes various legislative findings and declarations regarding the use of local government reorganization. This bill would make a technical, nonsubstantive change to that provision.

Position: None at this time

CALAFCO Comments: This is a placeholder bill.

SB 1090 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Enrollment: 8/31/2012 [pdf](#) [html](#)

Introduced: 2/15/2012

Last Amended: 8/20/2012

Status: 8/31/2012-Enrolled and presented to the Governor at 7:30 p.m.

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

Summary:

Current law requires the Controller to compile and publish reports of the financial transactions of each county, city, and special district within this state, together with any other matter he or she deems of public interest. Current law requires the Controller to annually publish reports of the financial transactions of each school district within this state, together with any other matter he or she deems of public interest. This bill would require the Controller to publish the annual reports of the financial transactions of each school district on the Internet Web site of the Controller. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Senate Omnibus bill. At this time it does not contain any LAFCo-related legislation.

AB 1902 (Jones R) Publication: newspaper of general circulation: Internet Web site.**Current Text:** Introduced: 2/22/2012 [pdf](#) [html](#)**Introduced:** 2/22/2012**Status:** 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 4/18/2012)

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

Summary:

Current law requires that various types of notices are provided in a newspaper of general circulation. Current law requires a newspaper of general circulation to meet certain criteria, including, among others, that it be published and have a substantial distribution to paid subscribers in the city, district, or judicial district in which it is seeking adjudication. This bill would provide that a newspaper that is available on an Internet Web site may also qualify as a newspaper of general circulation, provided that newspaper meets certain criteria.

Position: None at this time**Subject:** LAFCo Administration**CALAFCO Comments:** Allows posting of notices in a web-based newspaper.**AB 2452 (Ammiano D) Political Reform Act of 1974: online disclosure.****Current Text:** Chaptered: 7/13/2012 [pdf](#) [html](#)**Introduced:** 2/24/2012**Last Amended:** 5/8/2012**Status:** 7/13/2012-Chaptered by the Secretary of State, Chapter Number 126, Statutes of 2012

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

Summary:

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified. This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury. This bill contains other related provisions and other current laws.

Position: None at this time**Subject:** LAFCo Administration**CALAFCO Comments:** Allows on-line filing of Political Reform Act documents with local agencies.**SB 1149 (DeSaulnier D) Bay Area Regional Commission.****Current Text:** Amended: 5/15/2012 [pdf](#) [html](#)**Introduced:** 2/21/2012**Last Amended:** 5/15/2012**Status:** 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/15/2012)

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

Summary:

Current law creates the Metropolitan Transportation Commission, the Bay Area Toll Authority, the Bay Area Air Quality Management District, and the San Francisco Bay Conservation and Development Commission, with various powers and duties relative to all or a portion of the 9-county San Francisco Bay Area region with respect to transportation, air quality, and environmental planning, as specified. Another regional entity, the Association of Bay Area Governments, is created as a joint powers agency comprised of cities and counties under current law with regional planning responsibilities. Current law provides for a joint policy committee of certain regional agencies to collaborate on regional coordination. Current law requires regional transportation planning agencies, as part of the regional transportation plan in urban areas, to develop a sustainable communities strategy coordinating transportation, land use, and air quality planning, with specified objectives. This bill would create the Bay Area Regional Commission with specified powers and duties, including the powers and duties previously exercised by the joint policy committee. The bill would require the regional entities that are funding the joint policy committee to continue to provide the same amount of funding as provided in the 2012-13 fiscal year, as adjusted for inflation, but to provide those funds to the commission rather than to the committee. The bill would provide for the Bay Area Toll Authority to make contributions to the commission, as specified, in furtherance of the exercise of the authority's toll bridge powers. The bill would require federal and state funds made available to the Metropolitan Transportation Commission for purposes of transportation planning to be budgeted to the Bay Area Regional Commission. The bill would specify the powers and duties of the commission relative to the other

regional entities referenced above, including the power to approve the budgets of those regional entities and to develop an integrated budget for the commission and the regional entities. The bill would provide for the commission's executive director to develop a regional reorganization plan, with consolidation of certain administrative functions of the regional entities under the commission, with a final plan to be adopted by the commission by June 30, 2016. The bill would require organization of the regional entities as divisions of the commission, and would require the executive director to recommend candidates for vacant executive director positions at the regional entities as these positions become vacant. The bill would require the commission to adopt public and community outreach policies by October 31, 2015. The bill would require the commission to review and comment on policies and plans relative to the transportation planning sustainable communities strategy of the regional entities under Senate Bill 375 of the 2007-08 Regular Session, and beginning on January 1, 2017, the bill would provide for the commission to adopt or seek modifications to the functional regional plan adopted by each regional entity in that regard and would provide that the commission is responsible for ensuring that the regional sustainable communities strategy for the region is consistent with Senate Bill 375 of the 2007-08 Regular Session. The bill would require the commission to prepare a 20-year regional economic development strategy for the region, to be adopted by December 31, 2015, and updated every 4 years thereafter. The bill would require any changes proposed by the commission with respect to bridge toll revenues managed by the Bay Area Toll Authority to be consistent with bond covenants, and would prohibit investment in real property of toll revenues in any reserve fund. This bill contains other related provisions and other current laws.

Position: Watch

Subject: Sustainable Community Plans

[SB 1305](#) (Blakeslee R) Regional open-space district: County of San Luis Obispo.

Current Text: Introduced: 2/23/2012 [pdf](#) [html](#)

Introduced: 2/23/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. G. & F. on 3/8/2012)

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

Summary:

Current law permits proceedings for the formation of a regional park and open-space district in specified counties of the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would permit the formation of a regional open-space district in the County of San Luis Obispo to be initiated by resolution of the county board of supervisors after a noticed hearing, if the boundaries of a proposed district are coterminous with the exterior boundaries of the County of San Luis Obispo. The bill would specify the contents of the resolution, including a requirement to call an election, as prescribed.

Position: None at this time

Subject: Special District Principle Acts

CALAFCO Comments: Allows the creation of an open space district in San Luis Obispo County and circumvents the LAFCo process.

[SB 1337](#) (DeSaulnier D) Zone 7 Water Agency Act.

Current Text: Amended: 5/1/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 5/1/2012

Status: 5/25/2012-Failed Deadline pursuant to Rule 61(b)(8). (Last location was S. APPR. on 5/1/2012)

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

Summary:

Current law, the Alameda County Flood Control and Water Conservation District Act, establishes the Alameda County Flood Control and Water Conservation District and grants to the district authority relating to, among other things, flood control and stormwater. Under the district law, the Board of Supervisors of Alameda County serves as the Board of Supervisors of the Alameda County Flood Control and Water Conservation District. This bill would create the Zone 7 Water Agency, as prescribed, with specified authorizations, powers, and duties. This bill would permit the Alameda County Local Agency Formation Commission to exclude some or all of the agency's territory from the boundaries of the district and would eliminate from the district act provisions relating to the governance of a zone lying, in whole or in part, in Pleasanton or Murray Townships. This bill would authorize the agency to continue to impose any special taxes based upon assessed value or any other special taxes, assessments, or charges imposed by or on behalf of the former Zone 7, would authorize the agency to impose new special taxes or levy assessments, as prescribed, and would require any taxes or assessments to be levied and collected together with taxes for county purposes, as specified. This bill would also authorize the agency to designate the county treasury as its treasury, as prescribed. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Water

CALAFCO Comments: CALAFCO typically opposes legislation which circumvents the LAFCo process. This is a slightly different situation where the legislature is being asked to change an old special act district (which would have previously circumvented the LAFCo process) with some complex changes.

[SB 1380](#) (Rubio D) Environmental quality: California Environmental Quality Act: bicycle transportation plan.

Current Text: Amended: 8/21/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 8/21/2012

Status: 8/28/2012-Ordered to inactive file on request of Assembly Member Allen.

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

Summary:

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA requires the lead agencies to make specified findings in an EIR. This bill, until January 1, 2018, would exempt from CEQA a bicycle transportation plan for an urbanized area, as specified, and would also require a local agency that determines that the bicycle transportation plan is exempt under this provision and approves or determines to carry out that project, to file notice of the determination with OPR and the county clerk. This bill would require OPR to post specified information on its Internet Web site, as prescribed. This bill contains other current laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: The bill has been significantly amended to require certain documentation in a CEQA report prepared for a Bicycle Transportation Plan.

SB 1459 (De León D) Regional and local park districts: cities and counties.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/22/2012)

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

Summary:

Current law prescribes procedures for the formation of regional park districts, regional park and open-space districts, or regional open-space districts. Current law authorizes 3 or more cities, together with any parcel or parcels of city or county territory, whether in the same or different counties, to organize and incorporate, but requires that all the territory in the proposed district be contiguous. This bill would revise the above authorization to instead only allow district formation for 4 or more cities.

Position: None at this time

Subject: Special District Principle Acts

SB 1501 (Kehoe D) Open-space easements.

Current Text: Enrollment: 8/28/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Last Amended: 4/11/2012

Status: 8/28/2012-Enrolled and presented to the Governor at 4 p.m.

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

Summary:

Current law regulates the execution and acceptance of a grant of an open-space easement, as defined, that was entered into before January 1, 1975. The execution and acceptance of a grant of an open-space easement constitutes a dedication to the public of the open-space character of the lands for the term specified. Current law provides that the easement and covenant run for a term of not less than 20 years. Current law authorizes an open-space easement to contain a covenant against the extraction of natural resources or other activities that may destroy the unique physical and scenic characteristics of the land, as specified. This bill would make technical, nonsubstantive changes to these provisions. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Ag/Open Space Protection

CALAFCO Comments: Currently a placeholder bill regarding open space easements.

SB 1519 (Fuller R) Desert View Water District-Bighorn Mountains Water Agency consolidation.

Current Text: Introduced: 2/24/2012 [pdf](#) [html](#)

Introduced: 2/24/2012

Status: 5/11/2012-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. RLS. on 3/22/2012)

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

Summary:

Current law, the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law, effected a consolidation between the Desert View Water District and the Bighorn Mountains Water Agency and required the successor board of directors to operate under the Bighorn Mountains Water Agency Law. Under current law, for a

period of not less than 10 years after January 1, 1990, meetings of the successor board of directors are required to be held, as prescribed. This bill would make a technical, nonsubstantive change in these provisions.

Position: None at this time

Subject: Special District Principle Acts

Total Measures: 29

Total Tracking Forms: 29

9/5/2012 8:46:22 AM

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – September 12, 2012**

September 12, 2012
Agenda Item 14b

LAFCO APPLICATION	RECEIVED	STATUS
Northeast Antioch Reorganization: proposed annexations to City of Antioch and Delta Diablo Sanitation District of 481± acres located north of Wilbur Ave	8/17/07	Incomplete; awaiting info from applicant
West County Wastewater District Annexation Nos. 310 and 312: proposed annexation of 3.33± acres located at 39 Kirkpatrick Drive and 5527 Sobrante Avenue in El Sobrante	11/7/08	Incomplete; awaiting info from District
UCB Russell Research Station (RRS): proposed SOI amendment to East Bay Municipal Utility District (EBMUD) of 313± acres located on Happy Valley Road, southeast of Bear Creek Rd, and north of the Lafayette city limits (with concurrent annexation application)	11/25/08	Incomplete; awaiting info from applicant
UCB RRS: proposed annexation of 313± acres to EBMUD	11/25/08	Incomplete
Annexation 168C.1 to Central Contra Costa Sanitary District (CCCSD): proposed annexation of 104± acres in the Alhambra Valley, all of which are located outside the Urban Limit Line	4/13/09	Incomplete; awaiting info from applicant
Laurel Place/Pleasant View Annexation to City of Concord: proposed annexation of 5.86± acres located on Laurel Dr and Pleasant View Ln	5/8/09	Pending property tax exchange agreement
Highlands Ranch Phase II SOI Amendment: proposed SOI amendments to the cities of Antioch (reduction) and Pittsburg (expansion) of 194± acres located east of Pittsburg city limits, within Antioch Somersville Road Corridor Planning Area	10/23/09	Incomplete; awaiting info from applicant
Discovery Bay Community Services District (DBCSD) SOI Amendment (Newport Pointe): proposed SOI expansion of 20± acres bounded by Bixler Road, Newport Drive and Newport Cove (with corresponding annexation application)	7/28/10	Incomplete; awaiting info from applicant
DBCSD Annexation (Newport Pointe): proposed annexation of 20± acres to supply water/sewer services to a 67-unit single family residential development	7/28/10	Incomplete; awaiting info from applicant
DBCSD Request to Extend Out of Agency Service – request to extend wastewater services to a 15.38± acre parcel located on Highway 4	7/27/11	Incomplete; awaiting info from applicant
Annexation 182 to CCCSD: proposed annexation of 99.7± acres in Martinez and Lafayette	11/29/11	Incomplete; awaiting info from applicant
Dougherty Valley Annexation #15 to the City of San Ramon: proposed annexation of 41.54± acres adjacent to Quail Run Elementary School	7/12/12	Under review
Annexation 183 to CCCSD: proposed annexation of 91± acres in Orinda, Pleasant Hill and Walnut Creek	7/12/12	Under review

Police chief's raise divides Kensington board

By Rick Radin
Correspondent

Posted: 08/08/2012 02:18:23 PM PDT

Updated: 08/08/2012 04:38:12 PM PDT

KENSINGTON -- A hefty pay raise given to the police chief of this unincorporated community of just over 5,000 residents is the latest issue to divide its elected board.

The board, which members say is split 3-2 on almost every issue it faces, recently lifted police Chief Greg Harman's annual salary from \$134,000 to \$148,000 beginning July 1, drawing a backlash from opponents that is expected to be revived at Thursday's meeting.

Harman also received a one-time merit increase and cost-of-living adjustment of \$16,754, according to Charles Toombs, president of the Kensington Police Protection and Community Services District and part of the three-member majority.

Harman said he had not had a pay increase since 2008.

Harman, who has been police chief for five years and serves as the district's general manager, was also given a two-year contract extension.

Toombs and fellow board members Tony Lloyd and Linda Lipscomb voted for the raise and cost-of-living adjustment. Mari Metcalf and Cathie Kosel voted no, and have since been vocal in their opposition.

Metcalf said Toombs appointed Lloyd and Lipscomb as a subcommittee to make a recommendation about Harman's pay, but that she and Kosel were not able to see the report until the July 12 board meeting when the raise came up for a vote.

"They were set on giving him an increase, and it was not up for discussion and not up for debate," Metcalf said.

Metcalf said she and Kosel urged Toombs to table the motion for a month, but the board majority went ahead with the vote after listening to public comment about the raise until about 10:30 p.m., a half-hour after the meeting was supposed to end.

Metcalf said Toombs needed four votes of the board to extend the meeting, according to its policies and procedures manual, and he got only three.

"There was a definite majority of people at that meeting that wanted that vote delayed," Metcalf said. "The vote that we took was completely invalid because it was past the time allowed."

Toombs said adequate time was allowed for board members and the public to have their say at the meeting before the vote was taken. He also said Lloyd and Lipscomb did a thorough job of researching comparable salaries for other Bay Area police chiefs, and Harman's raise places him about in the middle of the range.

Toombs said the raise was also based on the chief's performance evaluation and that Kosel and Metcalf were allowed input along with other board members.

"The total (pay) package we gave him was reasonable, based on comparable salaries," Toombs said. "The board majority feels he does a great job, and we're concerned about losing him (to a better offer)."

Metcalf disputed the idea that comparing Kensington to other police departments for salary purposes has any merit.

"This is a community where there aren't many violent crimes," she said. "You look at the police blotter, and you see calls for a raccoon in the backyard or a person who looks unfamiliar walking down the street."

Disputes have boiled over beyond the board meetings themselves.

Kosel, who served as mayor of El Cerrito for two terms before returning to Kensington, where she grew up, said the conflict over the chief's pay is the latest issue in a long-running battle she's had with the board majority and the police.

Kosel alleges that two police officers filed a false complaint of indecent exposure against her that has since been dropped.

Harman denied that there were any allegations of indecent exposure, but there was an investigation into a possible allegation of sexual harassment.

Toombs would only say that Kosel refused to participate in the investigation.

"I told them if you want to have an investigation, you give me the charges in writing and I and my attorney will respond in writing," Kosel said.

Kosel also alleges that Harman improperly used a district credit card to pay for airplane tickets for his wife.

Toombs said the department did an internal investigation of the credit card claims and cleared Harman of any wrongdoing.

"I appreciate the support I have gotten from the board and the community," Harman said, in response to the controversy. "I enjoy working here and want to continue working here."

An email campaign has been launched to inform residents about the pay package, which is expected to revive the debate over the chief's pay package at the next meeting, Thursday at 7 p.m. at the Community Center, 59 Arlington Ave.

If you go

The Kensington Police Protection and Community Services District will meet at 7 p.m. Thursday at the Kensington Community Center, 59 Arlington Ave.

Contra Costa regulators disband elected Mt. Diablo Health Care District board

[By Lisa Vorderbrueggen](#)

[Contra Costa Times](#)

Posted: 08/09/2012 07:37:37 AM PDT

Updated: 08/09/2012 07:37:47 AM PDT

MARTINEZ -- Four civil grand juries, a dozen high-voltage editorials and one stinging consultant's report later, Contra Costa regulators pulled the plug Wednesday on the central county's hospital-less public health care district.

The Local Agency Formation Commission unanimously disbanded the Mt. Diablo Health Care District's five-member elected board, shrank its borders and assigned its funds to Concord.

The Concord City Council will take on the task of spending the roughly \$200,000 a year in property taxes generated in a smaller public health care district, which will consist of Concord and Pleasant Hill. The district no longer includes Martinez and slivers of Lafayette, Clayton and Walnut Creek.

In addition, Concord and Pleasant Hill will share the district's five seats -- three and two, respectively -- on the John Muir Community Health Foundation board. The formation of the nonprofit organization was mandated as part of a 1996 voter-approved transfer of the district's financially ailing Concord hospital to John Muir Health, which provides the foundation \$1 million a year for health services grants.

The commission's vote comes on the brink of Friday's candidate filing deadline for four health care district seats and eliminates the need for an expensive election to a board that regulators had vowed to dissolve one way or the other.

For the district's vocal critics, the move comes none too soon.

"We got involved in this issue because we believed the good work of three, and now four, civil grand juries was being ignored," said Contra Costa Taxpayers Association Executive Director Kris Hunt, whose organization filed the official dissolution request with the Formation Commission.

But it was the commission's hired consultant who sealed the district's fate when he reported that the district had spent the vast majority of its money since 2000 on elections, legal bills, lifetime health care benefits and overhead costs rather than direct health services.

A Bay Area News Group investigation also revealed that the district had provided a \$50,000 grant of taxpayer money to a ex-felon for the operation of a homeless services program with questionable results.

The district's elected board tried to turn things around in the past six months.

They hired a professional executive director who helped the district launch its first competitive community grant program. It awarded a total of \$180,000 last month to programs such as the food bank, healthy eating and mobile medical clinic for the poor.

But its efforts proved insufficient in the face of the lengthy and weighty case against the district.

Residents voiced particular anger at the free lifetime medical and dental insurance benefits provided to health district elected board member Grace Ellis, and Ron Leone, a former director and the mayor of Concord.

Both recently cashed out their benefit and released their claims for future coverage.

Ellis received \$58,000.

Leone negotiated a \$150,000 charitable deferred annuity through the American Cancer Society. If Leone or his wife should find themselves without insurance, they may tap into the money. All unused proceeds will to go to the cancer society.

Contact Lisa Vorderbrueggen at 925-945-4773 or @lvorderbrueggen.

Contra Costa Times editorial: District voters should reject false choice offered in fire tax

*Contra Costa Times editorial © Copyright 2012, Bay Area News Group Contra Costa Times
Posted:*

Friday, August 10, 2012
ContraCostaTimes.com

Residents of the Contra Costa Fire Protection District are being offered a false choice: Approve a \$75-a-year parcel tax on the Nov. 6 ballot or face the shutdown of nearly one-third of the district's stations.

It's political blackmail. And it ignores potential savings that could have, and still could be, attained if fire district officials make meaningful pension changes and seriously examine ways to restructure, especially when it comes to providing emergency medical services.

The tax measure affects property owners in much of Central County as well as Antioch, Pittsburg and San Pablo. It has been under discussion for at least two years.

The Contra Costa Board of Supervisors, which runs the district, should have made every effort to find savings before going to voters. It didn't.

There has been no serious discussion of options. Should firefighters continue delivering emergency medical services? If so, should they continue to receive extra pay for that, or should it be part of their basic salary? Should at least some of the county's 10 financially strapped fire districts be merged to save on administrative costs?

Should fire inspectors continue to receive pensions at rates that were intended for people who put their lives on the lines? Should current employees be asked to agree to reduce pension accruals for their future working years? Should newly hired employees continue to be promised the same sort of pensions that are helping drive this current financial crisis?

There has been no serious evaluation of alternatives. Instead, voters are told to either pay more or watch homes burn.

They're told the district plans to implement serious pension reform for new hires. In fact, the new pension formulas under discussion are just slightly less generous than the current ones and far more costly than the ones in effect a decade ago.

To be sure, the district's finances are teetering on a cliff. Even if voters approve the new tax, the district's budget projections show expenditures exceeding revenues until fiscal year 2022-23. To balance the books, the district plans to continue depleting reserves that should have gone to pay down the district's pension debt.

But where do those expenditures go? For every dollar spent on salaries (excluding overtime), the district currently spends 88 cents on pension and retiree health care costs. By fiscal year 2017-18, the district will be spending substantially more on retirement costs than salaries.

The board and Chief Daryl Louder have had plenty of time to prepare for this, to negotiate meaningful pension changes and seriously examine new ways to deliver services more cost-effectively. They have done neither.

We recognize that residents might need to pay more. But, especially in these tough economic times, that should be the last line of defense. We hear supervisors saying they will make more changes in the future. That should come first.

As the Contra Costa Grand Jury said, "Simply asking the taxpayers for more money to fund old service models and support burdensome labor agreements is not the answer." That's why we urge voters to reject the parcel tax.

Your Turn: Times wrong about Contra Costa fire tax proposal

By Vince Wells, Contra Costa Times Guest Commentary

Posted: 08/18/2012 09:00:00 AM PDT

Updated: 08/18/2012 05:42:25 PM PDT

As voters consider a tax to fully fund fire and emergency response services in the Contra Costa Fire Protection District, we trust they understand this is about keeping firehouses open.

That it is about ensuring that firefighters and firefighter paramedics are on the job and can get to a burning building or to a sick, injured or life-threatened resident of Lafayette, Walnut Creek, Pleasant Hill, Concord, Clayton, Martinez, El Sobrante, San Pablo, Pittsburg, Antioch, Bay Point, Pacheco or Rossmoor community before it is too late.

It is a shame the Contra Costa Times editorial board and its editorial recommending voters reject this measure failed to grasp that fact.

Essentially, your position boils down to: Hold hostage new funding to save vital public protection, rescue and emergency medical services unless and until something is done about the rising cost of district retirement benefits, despite that changes to retirement benefits have been made and with more efforts still in progress. And, even when they do, they won't fix the current funding problem. Talk about irresponsible.

This district has stretched a declining budget as far as it can go, shrinking our workforce, deferring repairs and reducing salaries and benefits for firefighters.

This parcel tax has a seven-year sunset provision so that the fire district has time to continue working to reduce overhead costs and implement reforms.

In the meantime, it asks homeowners to pay just \$75 annually -- or 21 cents a day. It is a wise investment in personal and community safety.

Before 2010, the district staffed 30 companies to serve more than 600,000 residents. By next year, if this measure fails, it could be down to 18 companies, with just 55 firefighters on duty a day to answer more than 41,000 calls a year over 304 square miles.

The fire district has put forward a fiscally responsible plan vetted through a series of public meetings.

National standards call for one firefighter for every 1,000 residents and for emergency calls to be answered within six minutes. Without this funding, we will have one firefighter for every 3,600 residents -- more than three times the national standard -- and response times could climb to 10 minutes, even 20 minutes in certain scenarios.

While property owners might save a few dollars a week in property taxes, they would risk paying much, much more for homeowners insurance, as insurers jack up premiums covering neighborhoods with substandard fire protection services.

And, of course, there could be even steeper prices to be paid for delayed responses to calls for fire rescue and emergency medical care.

So, by all means, we must find solutions to the strain rising pension costs are putting on budgets, whether they be government, employer or household.

But let's not put Contra Costa County lives, livelihoods and property in danger unnecessarily along the way.

Vince Wells is a fire captain and president of the United Professional Firefighters of Contra Costa County.

Martinez scales back plan to annex part of the Alhambra Valley

By Lisa P. White Contra Costa Times Contra Costa Times

Posted:

Thursday, August 23, 2012

ContraCostaTimes.com

MARTINEZ -- Sometimes, the numbers just don't add up.

When city leaders in Martinez recently realized they don't have enough existing agreements to avoid a referendum on their plan to annex a large swath of the Alhambra Valley, they scaled back the proposal to include just four subdivisions. The City Council had proposed annexing 139 parcels spread out across nearly 400 acres in the Alhambra Valley, the semirural area south of Martinez.

City staff carefully drew the boundaries of the annexation area to minimize the possibility of a vote by including just enough properties bound by existing agreements to one day become part of Martinez. But they overcounted by four, according to Mayor Rob Schroder.

"Well, we discovered some problems with respect to basically the numbers, I'll just be up front," Schroder said Thursday. "According to the deferred annexation agreements, those folks are not allowed to protest. If we exceed a 25 percent protest level, it goes to a vote. ... We would rather avoid that," Schroder said.

The council agreed Wednesday to ask the Contra Costa Local Agency Formation Commission, or LAFCO, to amend the annexation application. LAFCO commissioners are scheduled to review the city's application on Sept. 12.

On Thursday, city staff didn't know how many parcels, acres or houses remain in the revised annexation area. But the Stonehurst, Alhambra Valley Ranch, Deer Creek and Valley Orchard subdivisions are included, according to Hal Olson, president of the Alhambra Valley Improvement Association.

When Stonehurst and Alhambra Valley Ranch were built in the 1980s, the deeds included a stipulation that the houses would one day become part of Martinez. LAFCO encouraged Martinez to annex the developments because the city provides water service to the luxury homes in these gated communities. City leaders also believe they have deferred annexation agreements for the homes in the nearby Deer Creek and Valley Orchard subdivisions.

Opponents say annexation threatens the valley's bucolic character, and they worry that road maintenance and police service will suffer if the area becomes part of Martinez.

Olson and his wife Marie have led the fight against the valley's annexation for years. But he said they won't challenge the validity of the deferred annexation agreements.

"Whatever opposition mounts is going to have to mount within those areas they're swallowing, so we're sort of out of it," he said.

But Olson still believes Martinez has only a fraction of the agreements city leaders claim to have.

"The point is, how are they going to prove it? They'll have to produce the (agreements); they can't be disenfranchising people who say they haven't signed it and for whom they have nothing on file. So it's very muddy waters."

Cathe Cracknell, who has lived on Valley Orchard Court for about 15 years, is one of those homeowners. Cracknell said she and her husband didn't sign a deferred annexation agreement when they bought their

property nor were they told the seller may have signed one. The couple paid Martinez \$12,000 to connect a water line to the house they built, she said.

"It doesn't seem quite right or fair that our right to vote is being withheld based on an agreement we never signed and never saw," Cracknell said.

Councilman Mark Ross, who grew up in the valley, has always said Martinez should annex the entire valley, rather than do it in a piecemeal fashion. Ross, a real estate broker, said the deferred annexation agreement should have come up during a title search; but since it's such an arcane document, a buyer could easily overlook it.

"In any event, that argument is between the buyer and the seller and the brokers involved," Ross said. "It's not the city's responsibility to make sure everybody was properly briefed when they bought a piece of real estate."

Lisa P. White covers Martinez and Pleasant Hill. Contact her at 925-943-8011. Follow her at [Twitter.com/lisa_p_white](https://twitter.com/lisa_p_white).

Annexation Boundaries Change As Residents Protest

By Greta Mart

Staff Reporter

Sunday August 26, 2012

Local News



Opponents of the city's annexation efforts in Alhambra Valley can put aside their concerns – for now, said the mayor.

Rather than risk lawsuits and a referendum that could wholly defeat the city's attempt to annex 393 acres of Alhambra Valley, Martinez officials agreed this week to pare down its bid to just four existing subdivisions.

As of Friday, city staff were unable to provide the exact acreage or number of parcels to be included in the revised annexation area, but at Wednesday's meeting, Council members confirmed the revised annexation area would include the Alhambra Valley Ranch, Stonehurst, Deer Creek and Valley Orchard subdivisions. In response to a request for a map of the revised area, senior planner Cory Simon said assistant city manager Alan Shear was "the gatekeeper on that."

"I'm not sure [the revised map] is public yet," said Simon. Shear did not respond to requests for information.

At a specially-called City Council meeting Wednesday, members voted in favor of requesting an amendment to Martinez's Alhambra Valley annexation application currently under review by the county's Local Agency Formation Commission, or LAFCO.

LAFCO Executive Director Lou Ann Texeira confirmed that after receiving an email Thursday from Shear apprising her of the decision, she will be revising her staff report to LAFCO.

"I haven't done my [new] recommendation yet. I need more information from the city about its justification for the reduced area, what prompted them to reduce the boundary," said Texeira in a phone interview Friday.

Asked what the official justification would be, Mayor Rob Schroder replied that after LAFCO encouraged the city to pursue annexation of areas serviced with Martinez water, city staff created a map based on a variety of considerations.

"Mainly, we felt it was a good place to start. We thought it would be a good idea to include the Busby property," said Schroder, referring to 30 lots – already greenlit for development by the county – owned by the Busby family, positioned at the intersection of Alhambra Valley and Reliez Valley Roads.

But, "we made some errors, we made some miscalculations," he said, as to the correct number of Deferred Annexation Agreements (DAAs) on file with the city.

Between 2009 and 2011, two former city administrators openly acknowledged the proposed annexation area boundary lines were deliberately drawn to avoid a protest vote, by omitting parcels not covered by a Deferred Annexation Agreement.

Since 1987, the City has required residents purchasing or building homes to "complete annexation prior to receiving water service," according to Teixeira's report to LAFCO dated July 11. "Those properties that are not contiguous must execute a Deferred Annexation Agreement, with annexation to occur at a time determined by the City Council. The City serves an estimated 1,499 accounts that are outside the City's corporate boundaries; the majority of these were established prior to 2001."

Valley property owners were forced to sign the agreements forfeiting their protest rights to any future annexation attempts.

"It was blackmail," said Valley homeowner Steve Cracknell during this week's meeting, describing how he and his wife bought their property, built a house and "went through all the bells and whistles," about 14 years ago.

"The last thing they (Martinez city staff) hand us, they said sign this if you want your water meter," said Cracknell.

"I don't like how they've drawn the boundaries," said Valley resident Billie Fivella at the meeting, adding that she and her husband had signed a DAA, but "we're one of the ones they can't find."

In July, Hal and Marie Olson, founders of the Alhambra Valley Improvement Association and key organizers of opposition to the annexation, asserted that the City did not have the necessary number of the agreements (DAAs) to support the annexation.

"The city has 26 DAAs out of the 83 they are supposed to have," Hal Olson said after the July LAFCO hearing. Olson said he knew this because he had made a public information request and had seen the DAAs on file at City Hall. From the 47 parcels of land in the Stonehurst subdivision, Olson found only six DAAs; for the 17 parcels in Alhambra Valley Ranch, 11 DAAs.

On Friday, Schroder said the city was missing just four agreements.

The Olsons pointed out this week that more crucial than the missing DAAs is the Valley voter list.

"The city counted the voters who could protest and saw that potentially, if AVIA got every vote that we could, [it would] bring about a general election [and] everyone could vote. We have not seen the amended map, but we understand that 22 of the 25 properties that we are representing will be eliminated from that map. The good news is that the city has shrunk the annexation map," said the Olsons in an emailed comment. "The bad news is that the city is still trying to gain a foothold in the Valley. However, there are people in those subdivisions who are very upset. We will see what happens next."



Email [Greta Mart](mailto:Greta.Mart)

East Contra Costa Fire District accepts grant, will reopen stations

By Rowena Coetsee Contra Costa Times Contra Costa Times

Posted:

Thursday, August 30, 2012
ContraCostaTimes.com

OAKLEY -- Directors of the East Contra Costa Fire District formally accepted a \$7.8 million federal grant Wednesday, clearing the way for the agency to reopen stations and staff them with additional firefighters.

The district received word late last week that the Federal Emergency Management Agency had approved its application.

The funds will enable the district not only to restore the 15 firefighting jobs it eliminated last month but add 12 more, doubling the number of those first-responders. East Contra Costa Fire also now can reopen stations in Bethel Island, Knightsen and Brentwood -- half of its six remaining stations -- after the failure of a proposed parcel tax in June forced their closure.

Two other stations were shuttered in summer 2010.

"Approval (of the grant) will save lives," Brentwood resident Gene Clare told the board before its vote.

He noted that firefighters were the first to arrive when he fell from the roof of his two-story home in December 2008 while hanging Christmas lights, sustaining eight broken ribs, a fractured collarbone and collapsed lung.

"I'm alive today thanks to the efforts of firefighters," he said.

Ramping back up will be anything but quick, however.

Reopening the first of the stations -- probably either the one in Knightsen or Brentwood -- will take roughly 60 to 90 days, said Fire Chief Hugh Henderson, adding that the 27 firefighters probably will be phased in nine at a time.

As welcome as the money is, those who have been following the district's struggles are painfully aware that it is a stopgap measure; unless directors can find an ongoing source of additional revenue the district will be back in the same boat when the grant expires in 24 months.

"None of us has a delusion that this is a long-term solution," said Director Steve Barr, adding that the board cannot afford to wait for property values to appreciate.

Some also wonder whether East Contra Costa Fire's budget will enable it to fulfill the terms of the award. The district only can use the funds for personnel and must maintain all 54 positions during the grant period even if the cost of retirement and medical benefits goes up.

Then, too, there are costs associated with reopening and operating the stations such as restocking supplies and hooking utilities back up, and it will run about \$7,500 to recruit, train and equip each new firefighter.

Although Henderson believes the district likely can absorb these expenses, they aren't included in this year's budget.

That preliminary spending plan will be up for review at the fire district's Sept. 10 meeting.

Directors also will discuss a plan they had come up with in June to enlist volunteer firefighters; about five dozen individuals have applied to undergo the training, Henderson said.

Reach Rowena Coetsee at 925-779-7141. Follow her at [Twitter.com/RowenaCoetsee](https://twitter.com/RowenaCoetsee).

East Contra Costa Fire District gets \$7.8 million grant to rehire firefighters

By Rowena Coetsee and Eve Mitchell Contra Costa Times Contra Costa Times
Posted:

Saturday, August 25, 2012
ContraCostaTimes.com

BRENTWOOD -- Just weeks after closing half its stations and laying off firefighters, East Contra Costa Fire District has received a \$7.8 million federal grant that could enable it to restore those cuts.

Chief Hugh Henderson received an email early Friday morning notifying him that the Federal Emergency Management Agency and Department of Homeland Security had awarded his agency the two-year grant.

This was the third time Henderson had applied for the money, which only can be used to hire personnel. The fire district only recently announced that FEMA had denied its second grant application.

The agency was forced to lay off 15 firefighters and shutter three of its six remaining stations July 1 after voters rejected a 10-year parcel tax measure that would have kept it afloat.

With this windfall, Henderson said the fire district will be able to reopen the stations and not only fill the positions it eliminated but add 12 additional firefighters, returning to 2010 staffing levels when it had 54 full-time firefighters.

But while the grant could effectively double the number of firefighters from the current staffing level of 27, there are many strings attached to accepting the money, said Vince Wells, president of Contra Costa County IAFF Local 1230. Also, there is no guarantee that it will result in reopening all of the closed stations, he said.

"It's only funding personnel," Wells stressed.

That means the grant money cannot be used to pay for operational costs such as utilities to reopen closed stations or pay for fuel that goes into fire engines. Another drawback is that grant money can't be used to pay overtime costs and training of new firefighter. Also, the staffing level that results from accepting all or part of the grant money has to be maintained over the two-year period.

Wells said many of the 15 firefighters who were laid off have since found jobs elsewhere.

Still, Wells said the grant is "overall a good thing, but it's not like some money fell out of the sky and it has its challenges."

Henderson predicted that it would take 60 to 90 days before the district can start reopening stations and putting more firefighters back on engines.

And although this reversal of fortune is good news both for those who lost their jobs and the district's approximately 105,000 residents, Henderson emphasized that the underlying funding problems that have hobbled the agency in recent years remain real.

"At the end of two years we're in the same boat that we are today," he said. "This is a short-term fix and we still have a long-term problem."

The fire district board of directors will hold a special meeting Wednesday to accept the grant, a step it must take before FEMA will release the funds. The meeting will be at 6:30 p.m. at 3231 Main St., Oakley.

Provisions and requirements of accepting the grant money will be discussed at the meeting, said Kevin Romick, president of the fire district's board of directors and mayor of Oakley.

He was not surprised to learn the grant came through. FEMA officials suggested that the district apply for the grant again after voters rejected the tax measure in July, he said.

"At the end of the last funding cycle, which ended in July, (FEMA) was asking us to apply," he said. "And it looked like we would qualify this time."

It is unclear what impact accepting the grant money will have on the call for volunteer firefighters that the district made after voters rejected the tax measure.

"That will be part of the discussion we will have," at Wednesday's meeting, Romick said.

On its website, the district announced that the application deadline for applying to be a volunteer firefighter was Friday, the same day that the district got the news about the grant.

"That is a total coincidence," Romick said.

Contact Rowena Coetsee at 925-779-7141. Follow her at [Twitter.com/RowenaCoetsee](https://twitter.com/RowenaCoetsee).

Annexation Fails By Singular Vote

By Greta Mart
Staff Reporter

Thursday August 30, 2012

Local News

One vote. The City of Martinez's four-year, \$100,000-plus effort to incorporate a triangular 99-acre area called North Pacheco failed to pass a vote of the people by a single vote. Of the 153 ballots sent out by the Contra Costa Elections Division roughly four weeks ago, only 79 were returned by the 8 p.m. deadline on election day for Measure T.

Of those 79 certified ballots, 39 residents living within the proposed annexation area said yes to becoming Martinez residents, but 40 said no.

"We're still reviewing the [ballot] materials to certify the election," said Lopez on Wednesday morning. By 1 p.m., Contra Costa Clerk/Recorder Steve Weir announced the official results. Weir also explained a glitch that occurred during the ballot counting.

"There was a mistake and one ballot was included in the count that should have been excluded because the signature on the ballot did not match the signature on that voter's registration card," Weir told the Gazette. But the error did not affect the results.

"Even if that vote had brought the results to a tie, the measure still would have failed by one vote because it takes a majority to pass. Fifty percent plus one," said Weir.

Darlene Koch, a North Pacheco resident who was active in the campaign against Measure T, said yesterday afternoon she was "very pleased" with the election result. She added that she hopes everyone can remain good neighbors, even those who wanted to incorporate into Martinez. Lou Ann Texeira, executive director of the Contra Costa Local Agency Formation Commission (LAFCO), said the City's application to annex North Pacheco is now officially dead in the water and the Commission will wrap up the matter at its Sept. 12 scheduled meeting.

"If the annexation fails to receive a majority of the votes cast, then LAFCO shall execute a certificate of termination," said Texeira.

There are 150 registered voters in the North Pacheco precinct 9001. Weir confirmed Wednesday that "we issued 153 ballots because three voters moved within the district during the election timeframe, prompting us to issue three additional ballots and void the first ones."

After LAFCO approved the City's annexation application in January, a group of effected North Pacheco residents – along with a handful of Martinez residents – organized a protest movement. In March, the county's Election Division issued a Certificate of Sufficiency after finding that "valid protests were received from over 25 percent but less than 50 percent of the registered voters in the annexation area," according to Texeira.

Martinez Mayor Rob Schroder is a member of LAFCO, and as a Commissioner voted to approve the City's annexation application. He then actively campaigned in support of Measure T, authoring a letter to voting North Pacheco residents urging them to vote yes to the annexation.

"I do not intend to contest the results," said Schroder in an emailed comment yesterday. "With only 79 ballots filed, an error in the count is very unlikely. I have complete faith in the office of the County Clerk/Recorder/Elections office."

He added, "in my 16 years in elected office I have never seen an election so close. However, except in taxation issues, the simple majority rules."

Schroder's campaigning raised some eyebrows over perceived conflict of interest issues, but the California Fair Political Practices Commission said it was perfectly legal as long as Schroder didn't have any economic interests impacted by the annexation.

"I was appalled that a member of our police department and the mayor of our city would openly campaign for the annexation of a portion of Pacheco using misinformation and manipulated data," commented Martinez resident James Nichols in a letter to the Gazette's editor, referring to a page in a pro-Measure T packet distributed by Schroder and other Measure T supporters to North Pacheco voters that lists average police response times different from those published by the sheriff's office.

In their ballot argument in favor of Measure T, Schroder, Chamber of Commerce chairperson Marie Knutson, Dodd and North Pacheco resident and Belmont Terrace Homeowner's Association member Ryan Baillie claimed annexation would bring benefits to North Pacheco.

"A Martinez patrol car will respond to a crime in progress faster if Measure T passes. Please consider voting Yes on 'T' when you mail in your ballot," Martinez Police Department officer Dave Mathers wrote by hand on a postcard mailed to voting residents.

As LAFCO's Texeira wrote in April, the purpose of the annexation was "to allow for the extension of city services and to facilitate future development and economic revitalization of the area." According to a report to Council dated July 23, 2008, written by former assistant city manager Karen Majors, in 2007 city officials were "approached by several property owners in the North Pacheco Blvd. area requesting to be annexed into the City of Martinez ... the work on the North Pacheco area should only be entered into if the property owners enter into an agreement to reimburse the City of Martinez for the cost to undertake the above described scope of work estimated to cost approximately \$30,000 to \$60,000," Majors recommended.

No such agreement was ever signed, nor did the landowners reimburse the general fund to cover consultant fees as initially discussed.

"The property owners are never expected to pay back the City for annexation. It doesn't work that way," said current city manager Phil Vince, in an emailed response Wednesday.

The Martinez City Council – by a vote of 4 to 1 – approved hiring consultant CH2M HILL to prepare documents and information in support of the annexation. Council member Lara DeLaney voted against the contract, saying "she felt projects of this size should be done with an RFP (request for proposal), and it should have been done as a matter of course," the July 23, 2008 meeting minutes read.

On May 20, 2009, the Council allocated \$25,000 to hire a consultant to prepare a California Environmental Quality Act document for the annexation application. But now that Measure T failed to pass, the taxpayer monies spent by the City in an attempt to annex North Pacheco over the past four years will have to be chalked up as a loss.

"At this time, the City has no plans with respect to North Pacheco. I expect the City Council to have a discussion of the issue and possible alternatives at a future meeting," said Schroder on Wednesday.



MOVERS & SHAKERS

MOVERS AND SHAKERS

Does your district have an individual recently appointed as general manager or a top staff position? Have you recently elected a new board president? Have any district personnel been appointed to other community boards or positions? Email your district's movers and shakers to Nicole Dunn, communication specialist, at Nicoled@csda.net and we will include them in our next issue!



Elizabeth Cline

Elizabeth Cline, manager of the Fresno Westside Mosquito Abatement District has been elected South Pacific Regional Director of the American Mosquito Control Association (AMCA). AMCA is a nonprofit organization dedicated to providing leadership, information and education leading to the

enhancement of public health and quality of life through the suppression of mosquitoes.

Nevada Irrigation District welcomes two new managers. **Jim Malberg** has been hired as NID's finance manager. He fills the role after previous finance manager, **Marie Owens**, retired.

NID also welcomes **Brian Powell** as maintenance manager. Powell oversees the district's largest department, with over 50 employees.

Central Contra Costa Sanitary District announces the appointment of **Ann E. Farrell** as general manager. Farrell joined the district in 1999 as its director of engineering.

Sacramento Suburban Water District has received two awards from the California Association of Public Information Officials. The awards were in the categories of Writing, for the district's Tap Water Facts, and Special Publication for its Outdoor Watering Schedule Magnet bill insert.



Mike McGill

Central Contra Costa Sanitary District Board Member **Mike McGill** has been re-elected to serve another term on the Contra Costa County Local Agency Formation Commission. McGill was also appointed to the California Association of Local Agency Formation Commission's Board of Directors.

Palm Springs Cemetery District Manager **Katbleen Jurasky** was recognized as Cemeterian of the Year by the California Association of Public Cemereries. The award is given to an individual who has demonstrated outstanding leadership as a public servant in the public cemetery district field.

Town of Discovery Bay CSD has appointed **James Mattison** to its board of directors. Mattison takes the place of former director Brian Dawson, who resigned and will hold office until the next general election in November.

San Bernardino Valley Water Conservation District welcomes new board member **Bob Glaubig**, who was recently elected to its board of directors. Board member **Richard Corneille** was elected as Board President and **Melody McDonald** was reelected as Board Vice President.

Western Municipal Water District announces Board Member **Charlie Field** received the prestigious Frank Miller Civic Achievement Award by the Mission Inn Foundation. The award was given for outstanding civic leadership, service and support to the community. ■

Martinez: Alhambra Valley annexation proposal set for Sept. 12 hearing

By Lisa P. White Contra Costa Times San Jose Mercury News
Posted:

Tuesday, September 4, 2012
ContraCostaTimes.com

MARTINEZ -- The county agency that regulates local government boundary changes is scheduled next week to review Martinez's application to annex four subdivisions in the Alhambra Valley.

The City Council originally proposed annexing 139 parcels across nearly 400 acres in the valley, the semirural area south of Martinez. Facing a likely referendum, city leaders last month reduced the annexation area so it primarily includes properties bound by existing agreements to one day become part of Martinez.

Martinez has asked the Contra Costa Local Agency Formation Commission, or LAFCO, to amend its annexation application. The revised proposal includes 316 acres and 104 parcels in the Stonehurst, Alhambra Valley Ranch, Deer Creek and Valley Orchard subdivisions, according to Lou Ann Texeira, LAFCO's executive officer.

The LAFCO meeting is 1:30 p.m. Sept. 12, in the Contra Costa County board of supervisors chamber, 651 Pine St. in Martinez.

When Stonehurst and Alhambra Valley Ranch were built in the 1980s, the deeds included a stipulation that the houses would one day become part of Martinez.

LAFCO encouraged Martinez to annex the developments because the city provides water service to the luxury homes in the gated communities. City leaders also believe they have deferred annexation agreements for the homes in the nearby Deer Creek and Valley Orchard subdivisions. Martinez claims to have 99 signed agreements, according to Texeira.

If 25 percent of the registered voters or landowners in the proposed annexation area file a written protest with LAFCO, Martinez must hold a mail-in ballot election. However, homeowners bound by deferred annexation agreements cannot file a protest.

In some cases, the current property owners signed the deferred annexation agreement. In others, previous owners or the developer may have signed it. Regardless, the city says the agreements are legally binding.

Hal and Marie Olson, of the Alhambra Valley Improvement Association, say the city removed 22 of the 25 homeowners they represented from the proposed annexation area.

Opponents believe annexation will ruin the valley's rural character and lead to poorly maintained roads and slower police response times. Valley residents who are annexed also would have to help repay a \$30 million parks bond Martinez voters passed in 2008.

The Olsons and others also have criticized the way the city cherry-picked properties to annex with an eye toward avoiding a vote.

"I think it needs to be all of the valley or none of the valley," Billie Fivella, whose home on Briones Road is not slated for annexation, told the council last month.

Some residents worry the city may make changes that would disrupt their way of life.

For example, the Lompa family keeps a horse, two goats and 23 chickens on their 5-acre property on Deer Creek Drive. The family is able to have the animals because the land is zoned agricultural under county rules. Although council members have said they are not planning zoning changes, the Lompas remain skeptical.

"(You're) not showing any honor or respect, just plain decency to the people of the valley," Ernest Lompa told the council.

Contact Lisa P. White at 925-943-8011. Follow her at [Twitter.com/lisa_p_white](https://twitter.com/lisa_p_white).