



Lou Ann Texeira  
 Executive Officer

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May 8, 2013 (Agenda)

May 8, 2013  
 Agenda Item 6

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

**Sphere of Influence Updates  
 County Service Area R-4 and Reclamation District 2137**

Dear Members of the Commission:

On March 13, 2013, the Commission received an update summarizing the status of municipal service reviews (MSRs) and sphere of influence (SOI) updates in Contra Costa County.

The update included a list of pending SOI updates, including those for County Service Area (CSA) R-4 and Reclamation District (RD) 2137.

CSA R-4 was reviewed in 2010 as part of the countywide park & recreation services MSR; RD 2137 was reviewed in 2009, as part of the countywide reclamation services MSR.

**SOI UPDATES**

**CSA R-4** - CSA R-4 is a dependent district formed in 1970 and administered by the Town of Moraga. The District provides financing for augmented operation and maintenance of park and recreation facilities. The District bounds include nearly all of the incorporated Town of Moraga, and unincorporated areas to the southeast of the Town.

The District's boundary is 17.6± square miles, including 9.3± square miles of the Town of Moraga, and 8.3± square miles of unincorporated territory, most of which is vacant agricultural land (Williamson Act), open space and outside the countywide urban limit line as depicted in the attached map (Attachment 1, Exhibit A). The District's current estimated population is approximately 16,341 residents, of which 16,204 are residents of the Town of Moraga, and the remaining 137 are residents of the unincorporated County.

CSA R-4 was formed prior to the incorporation of Moraga, which occurred in 1974. According to LAFCO and Board of Equalization records, the incorporated territory was never officially removed from the CSA. Landowners within the Town limits no longer pay a portion of their property tax to the CSA;

however, landowners within the unincorporated area continue to pay a portion of their property tax to CSA R-4.

It was previously recommended that the Commission defer the SOI update for CSA R-4; and direct LAFCO staff to further discuss with the County and Town of Moraga the various SOI options and report back to the Commission.

Following discussions with County and Moraga Town staff, the consensus was that LAFCO should retain the existing SOI. At the time the MSR was prepared, the District was receiving approximately \$27,000 entirely from property tax, of which less than one percent was being spent on administration, and 99% was being spent directly on services. The funds being generated from the CSA are being used to support park and recreation services and benefit those in the area.

The MSR identified the following four SOI options for CSA R-4:

1. Retain existing coterminous SOI
2. Adjust SOI to remove vacant unincorporated areas and include the entire Town of Moraga bounds
3. Expand SOI to include entire Moraga bounds
4. Adopt a zero SOI

County and Town of Moraga staff believe that the existing government structure is appropriate, and will enable the Town of Moraga to continue to include the unincorporated areas within the CSA R-4 SOI in its long-term planning for parks and recreation services.

***Recommendation:*** Retain existing coterminous SOI.

**Reclamation District (RD) 2137** - RD 2137 was formed in 2003 as an independent special district. The District was formed to “assume the maintenance of existing levees surrounding the proposed new district. RD 2137 is located within the boundaries of the City of Oakley as shown on the attached map (Attachment 2, Exhibit A). The District provides maintenance services to non-project levees and internal drainage facilities, and oversees habitat preservation/restoration.

RD 2137 relies primarily on landowner assessments to fund District functions. An assessment of approximately \$170 per acre is levied, which is the same as when the District was formed in 2003. The District does not receive any property tax revenue.

The MSR report identified the following SOI options for RD 2137:

1. Adopt a zero SOI to signal future dissolution, consolidation or establishment of a subsidiary district to the City of Oakley
2. Expand SOI to include the Burroughs property
3. Retain existing coterminous SOI

Following completion of the MSR report, the Commission adopted a zero SOI for RD 2137 as recommended in the MSR report. A zero SOI signals dissolution or some other type of government reorganization (e.g., consolidation, merger, establishing a subsidiary district, etc.). The Commission directed LAFCO staff to work with RD 2137 and the City of Oakley to initiate dissolution of RD 2137 and allow the State Department of Water Resources (DWR) to take over the functions of the District.

LAFCO staff has contacted the City of Oakley and RD 2137 for periodic updates. In response to a recent exchange, both RD 2137 and the DWR submitted letters expressing opposition to dissolution of the District, noting that dissolution would jeopardize the Dutch Slough Tidal Marsh Restoration Project, levee work, and millions of dollars of project funding.

The District and DWR request that LAFCO reinstate the District's coterminous for at least the next 10 years in order to complete the restoration project.

***Recommendation:*** Reinstate the District's coterminous SOI until the next SOI update, and require RD 2137 to provide an annual update to LAFCO on project activities and progress.

### **RECOMMENDATIONS**

1. Receive report,
2. Adopt the attached resolutions updating the SOIs for CSA R-4 and RD 2137, and
3. Provide input and direction as desired.

Sincerely,

Lou Ann Texeira  
Executive Officer

Attachment 1 – Resolution/Map Updating SOI for CSA R-4  
Attachment 2 – Resolution/Map Updating SOI for RD 2137

c: Jill Keimach, Town Manager,  
Al Warren Hoslett, RD 2137  
Ted Frink, State Department of Water Resources

**RESOLUTION OF THE CONTRA COSTA  
LOCAL AGENCY FORMATION COMMISSION**

**APPROVING A SPHERE OF INFLUENCE UPDATE FOR  
COUNTY SERVICE AREA R-4**

**WHEREAS**, Government Code §56425 requires the Local Agency Formation Commission (LAFCO) to develop and determine the sphere of influence (SOI) of each local governmental agency within the County; and

**WHEREAS**, Government Code §56425(f) requires that LAFCO review and update the SOI boundaries, as necessary, not less than once every five years; and

**WHEREAS**, Government Code §56430 requires that a municipal services review be conducted prior to or in conjunction with an SOI update; and

**WHEREAS**, LAFCO conducted a review of cemetery, parks & recreation services, including those provided by County Service Area (CSA) R-4, and adopted written determinations as required by Government Code §56430 on April 21, 2010; and

**WHEREAS**, the MSR report identified four SOI options for CSA R-4: 1) retain existing coterminous SOI; 2) adjust SOI to remove vacant unincorporated areas and include the entire Town of Moraga bounds; 3) expand SOI to include entire Moraga bounds; or 4) adopt a zero SOI including retaining the existing coterminous SOI; and

**WHEREAS**, CSA R-4's corporate boundary and SOI are coterminous and comprise 17.6± square miles, including 9.3± square miles of the Town of Moraga (which was never detached following the Town's incorporation), and 8.3± square miles of unincorporated territory, most of which is vacant agricultural land (Williamson Act), open space and outside the countywide urban limit line; and

**WHEREAS**, after discussions with County and Town of Moraga staff, it was determined that the existing government structure is appropriate, and will enable the Town to continue to include the unincorporated areas within the district's SOI in its long-term planning for parks and recreation services; and

**WHEREAS**, it is hereby proposed that CSA R-4's SOI be retained as generally depicted on Exhibit A; and

**WHEREAS**, no change in regulation, land use or development will occur as a result of updating the District's SOI; and

**WHEREAS**, the SOI update was duly considered at public hearings held on May 12 and April 21, 2010, and at a LAFCO meeting held on May 8, 2013; and

**WHEREAS**, the Contra Costa LAFCO heard and received all oral and written protests, objections and evidence that were made, presented or filed, and all persons present were given an opportunity to appear and be heard with respect to any matter pertaining to said verification action.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** that the Contra Costa LAFCO does hereby:

1. Retain CSA R-4's coterminous SOI as generally depicted on Exhibit A attached hereto.
2. Determine, as lead agency for the purposes of the California Environmental Quality Act (CEQA), that the SOI update is categorically exempt under §15061(b)(3) of the CEQA Guidelines.

3. Determine that the Commission has considered the criteria set forth in Government Code §56425 as follows:

a. *Present and planned land uses in the area, including agricultural and open-space lands* - The CSA bounds encompass the majority of the incorporated Town of Moraga, and an unincorporated area to the southeast of the Town. The unincorporated area is primarily zoned as agricultural land with parcels of at least five acres and limited residential parcels of at least 15,000 to 20,000 square feet. Town and County plans include land uses and population growth that may impact the district’s services. No changes in present and planned land uses will result from this SOI update.

b. *Present and probable need for public facilities and services in the area* – There is a present and probable need for parks and recreation services provided by the CSA, especially at Rancho Laguna Park. The Town reported that this park has experienced the most significant increase in service demand, and it is the park in the closest proximity to the unincorporated residential areas immediately adjacent to the town boundaries. Growth within the CSA is anticipated to moderate with a projected growth rate of 10 percent within the Town between 2009 and 2025. Planned and proposed residential developments within the Town total over 650 dwelling units. Growth in the unincorporated areas of the CSA is projected to be low, as the area is outside of the countywide urban limit line. No changes in public facilities or services provided by CSA R-9 will result from this SOI update.

c. *Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide* – The Town of Moraga, and consequently CSA R-4, is slightly deficient in the amount of developed parkland and neighborhood parkland available to residents. To meet the Town’s General Plan standard, the Town must acquire an additional 7.8 acres of developed parkland, or at least 7.4 acres of neighborhood parkland. The SOI update will not impact the present capacity of public facilities and adequacy of public services that CSA R-4 provides or is authorized to provide.

d. *Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency* – The primary community of interest is the Town of Moraga, and the residents of the unincorporated area located to the southeast of the town boundaries. The SOI update will not affect the existence of any social or economic communities of interest.

e. *Nature, location, extent, functions & classes of services to be provided* – CSA R-4 was formed in 1970 and is administered by the Town of Moraga. The district provides financing for augmented operations and maintenance of park and recreation facilities. CSA R-4 bounds include nearly all of the incorporated Town of Moraga, and unincorporated areas to the southeast of the Town.

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PASSED AND ADOPTED THIS 8<sup>th</sup> day of May 2013, by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

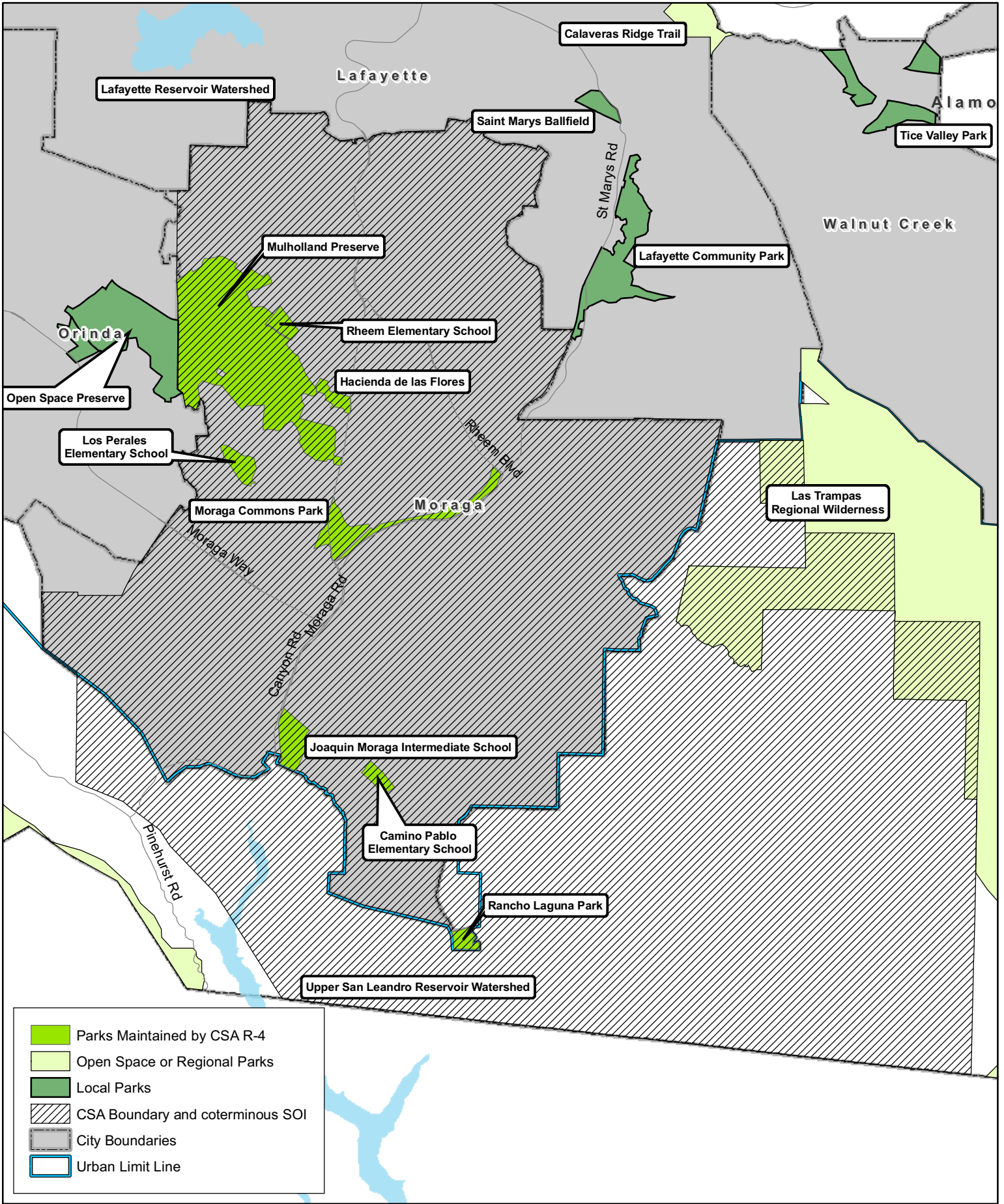
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FEDERAL GLOVER, CHAIR, CONTRA COSTA LAFCO

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

Dated: May 8, 2013

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Lou Ann Texeira, Executive Officer

# CSA R-4 and Coterminous Sphere of Influence



- Parks Maintained by CSA R-4
- Open Space or Regional Parks
- Local Parks
- CSA Boundary and coterminous SOI
- City Boundaries
- Urban Limit Line



**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION**  
**APPROVING A SPHERE OF INFLUENCE UPDATE FOR**  
**RECLAMATION DISTRICT 2137**

**WHEREAS**, Government Code §56425 requires the Local Agency Formation Commission (LAFCO) to develop and determine the sphere of influence (SOI) of each local governmental agency within the County; and

**WHEREAS**, Government Code §56425(f) requires that LAFCO review and update the SOI boundaries, as necessary, not less than once every five years; and

**WHEREAS**, Government Code §56430 requires that a municipal service review be conducted prior to or in conjunction with an SOI update; and

**WHEREAS**, LAFCO conducted a countywide review of reclamation services, including those provided by Reclamation District (RD) 2137 and adopted written determinations as required by Government Code §56430 on July 8, 2009; and

**WHEREAS**, the MSR report identified a number of SOI and governance structure options for RD 2137 including adopting a zero SOI to allow for future dissolution, consolidation or establishment of a subsidiary district to the City of Oakley; expansion to include the Burroughs property; or retaining the existing coterminous SOI; and

**WHEREAS**, RD 2137 land is owned by the State Department of Water Resources (DRW) and private parties. The City of Oakley has the option to acquire the privately owned parcels. Restoration of the tract in conjunction with the Dutch Slough Tidal Marsh Restoration project, along with any necessary new levee construction or repair and maintenance of existing levees could be assumed by the State and/or the City of Oakley; and

**WHEREAS**, the District's service boundary and coterminous SOI encompass approximately 785 acres, primarily within the bounds of the City of Oakley; and

**WHEREAS**, no change in regulation, land use or development will occur as a result of updating the District's SOI; and

**WHEREAS**, the SOI update was duly considered at public meetings held on July 8, August 12, October 14, and November 18, 2009, and on May 8, 2013; and

**WHEREAS**, Contra Costa LAFCO heard and received all oral and written protests, objections and evidence that were made, presented or filed, and all persons present were given an opportunity to appear and be heard with respect to any matter pertaining to said SOI update; and

**WHEREAS**, on November 2009, LAFCO adopted a zero SOI for RD 2137 signaling dissolution or some other type of government reorganization, and directed LAFCO staff to work with RD 2137 and the City of Oakley to initiate dissolution of RD 2137 and allow the State DWR to take over the functions of the District; and

**WHEREAS**, since 2009, LAFCO staff has contacted the City of Oakley and RD 2137 for periodic updates; and

**WHEREAS**, in March 2013, RD 2137 and the DWR submitted letters expressing opposition to the zero SOI and potential dissolution of the District, noting that dissolution would jeopardize the Dutch Slough Tidal Marsh Restoration Project, levee work, and millions of dollars of project funding, and requested that LAFCO reinstate the District's coterminous SOI.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** that Contra Costa LAFCO does hereby:

1. Adopt a coterminous SOI for RD 2137.
2. Require annual updates from the District and the City of Oakley on the status of the Dutch Slough Tidal Marsh Restoration Project, levee work, and project funding.
3. Determine, as lead agency for the purposes of the California Environmental Quality Act (CEQA), that the SOI update is categorically exempt under §15061(b)(3) of the CEQA Guidelines, and direct staff to file a Notice of Exemption.
4. Determine that the Commission has considered the criteria set forth in Government Code §56425(e) as follows:
  - a. *The present and planned land uses in the area, including agricultural and open-space lands*  
The District bounds encompass primarily pasture, fallow ground and open space/habitat area and includes Prime Farmland, Farmland of Statewide Importance, Unique Farmland and Farmland of Local Importance. Contra Costa County and city plans include land uses and population growth that may impact the District's services. There is no Williamson Act contracted land within the District.
  - b. *The present and probable need for public facilities and services in the area – RD 2137*  
provides levee maintenance, drainage service, habitat restoration and other services necessary to implement the Dutch Slough Tidal Marsh Restoration Project. There has been no recent growth within the District, and no growth is anticipated in the future. No changes in public facilities or services provided by the District will result from this SOI update.
  - c. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide –* As with most Contra Costa reclamation districts, RD 2137 provides minimally adequate flood protection based on levee standards. Implementation of the Dutch Slough Tidal Marsh Restoration Project may alter or eliminate the need for levee and drainage maintenance services. Updating the SOI will not affect the present capacity of public facilities and adequacy of services provided by RD 2137.
  - d. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency –* RD 2137 was formed in 2003 and is financed primarily through assessments. The social and economic community of interest includes the City of Oakley and those members of the general public who will enjoy the various natural features and aspects of the tidal marsh project. The SOI update will not affect the existence of any social or economic communities of interest in the area that are relevant to RD 2137.



- e. *Nature, location, extent, functions & classes of services to be provided* – RD 2137 maintains four miles of earthen levees and 1.8 miles of drainage ditches. The location of facilities includes levees necessary to implement the Dutch Slough Tidal Marsh Restoration Project.

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PASSED AND ADOPTED THIS 8<sup>TH</sup> day of May 2013, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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FEDERAL GLOVER, 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 above.*

Dated: May 8, 2013

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Lou Ann Teixeira, Executive Officer

# RD 2137 Boundary and Coterminous SOI

