



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, July 10, 2013, 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.

JULY 10, 2013 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 May 8, 2013 regular LAFCO meeting

SPHERE OF INFLUENCE/BOUNDARY CHANGES

6. ***LAFCO 13-02 – Rodeo Sanitary District Sphere of Influence (SOI) Amendments*** – consider proposal to amend the district’s SOI to include the Rodeo Marina area (28.5± acres) and the Bayo Vista Housing Project area (32.7± acres) and consider related actions under the California Environmental Quality Act (CEQA)
Public Hearing
7. ***LAFCO 13-05 - Central Contra Costa Sanitary District and Mt. View Sanitary District SOI Amendments*** – consider proposal to amend the districts’ SOIs to include nine properties (18.2± acres) located on Kendall Ct and Northridge Rd in Martinez and consider related actions under CEQA ***Public Hearing***

BUSINESS ITEMS

8. ***Northeast Antioch*** – the Commission will receive an update regarding the proposed annexation and strategic planning efforts for Northeast Antioch, and be asked to provide input and direction
9. ***Response to Contra Costa County Grand Jury Report No. 1303*** - the Commission will be asked to approve a response to Grand Jury Report No. 1303, “*The Role of the Local Agency Formation Commission*”
10. ***Response to Contra Costa County Grand Jury Report No. 1306*** - the Commission will be asked to approve a response to Grand Jury Report No. 1306, “*County EMS and Fire Services: A Step in the Right Direction*”
11. ***Response to Contra Costa County Grand Jury Report No. 1311*** - the Commission will be asked to approve a response to Grand Jury Report No. 1311, “*Assessing Fiscal Risk: Who is Minding the Store*”
12. ***Professional Services Contract*** – the Commission will be asked to authorize a contract with the recommended consulting firm to prepare a countywide second round Municipal Services Review and SOI updates covering water and wastewater services
13. ***Special District Risk Management Authority (SDRMA) Board Election*** – the Commission will receive information and be asked to consider voting for candidates for the 2014 SDRMA Board
14. ***Resolution Commemorating the 50th Anniversary of LAFCOs*** – the Commission will be asked to adopt a resolution commemorating the 50th anniversary of LAFCOs

CORRESPONDENCE

15. Correspondence from Contra Costa County Employees’ Retirement Association (CCCERA)

INFORMATIONAL ITEMS

16. Commissioner Comments and Announcements
17. Staff Announcements
 - a) CALAFCO Updates
 - b) Pending Projects
 - c) Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting – August 14, 2013 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 MEETING

May 8, 2013

Board of Supervisors Chambers
Martinez, CA

July 10, 2013
Agenda Item 5

1. Vice Chair Dwight Meadows 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 Members Federal Glover and Mary Piepho, and Alternate Candace Andersen.

Special District Members Michael McGill and Dwight Meadows, and Alternate George Schmidt.

Public Member Alternate Sharon Burke.

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

4. Approval of the Agenda

Upon motion of Tatzin, second by McGill, Commissioners unanimously adopted the agenda.

5. Public Comments

There were no public comments.

6. Approval of April 15, 2013 (Special) and April 17, 2013 (Regular) Meeting Minutes

Upon motion of Andersen, second by McGill, the minutes for the special meeting on April 15, 2013, and the regular meeting on April 17, 2013 were approved, with Commissioner Burke abstaining.

7. Sphere of Influence (SOI) Updates – Reclamation District (RD) 2137 and County Service Area (CSA) R-4

The Executive Officer provided a chronology and overview of MSRs and SOIs of RD 2137 and CSA R-4, which were reviewed in, respectively, 2009 and 2010.

The MSR identified four SOI options for CSA R-4, which collects approximately \$27,000 annually in property tax from those properties located in the unincorporated areas of the District to enhance park and recreation services in the District, which includes and is managed by the Town of Moraga. Following discussions with Town and County staff, it is recommended that LAFCO retain the existing SOI for CSA R-4.

RD 2137 maintains levees located in eastern Oakley; it is a landowner district and relies on landowner assessments to fund its services. Levee improvement and restoration efforts are underway in conjunction with the Dutch Slough Tidal Marsh Restoration Project. LAFCO previously adopted a zero SOI for RD 2137 in anticipation of a future reorganization. Recently, the District and the California Department of Water Resources (one of the landowners in this District) informed LAFCO that dissolution of the District would jeopardize the restoration project, levee improvements and millions of dollars in State funding. Therefore, it is recommended that the Commission reinstate RD 2137's coterminous SOI and require the District to provide LAFCO with annual progress reports.

DRAFT

Tom Williams, representing RD 830 and Ironhouse Sanitary District, spoke in support of reinstating RD 2137's coterminous SOI.

Upon motion of Piepho, second by Tatzin, Commissioners accepted the report and adopted the resolutions updating the SOIs for CSA R-4 and RD 2137 as recommended.

8. Northeast Antioch Update

The Executive Officer provided brief background on the Northeast Antioch annexation process and reported that the City held a second community meeting with residents of Area 2b. Also, City staff indicates that the Antioch Planning Commission will consider taking action on the City's CEQA document and pre-zoning at its meeting this month. Another community meeting in Area 2b is tentatively scheduled for May 22.

Victor Carniglia, representing the City of Antioch, reported that the environmental document will be published on May 9, and that it will go to the Planning Commission this month. The GenOn/NRG power plant has come on line now.

In response to a Commissioner's question about property owners' concerns about their current land use, Mr. Carniglia reported that the City is adopting a "study zone" for Area 2b, and will grandfather in nonconforming land uses for at least two years. As for finding funds for the infrastructure upgrades, Dudek is now under contract and is looking for grant prospects.

9. Adoption of Final FY 2013-14 LAFCO Budget

The Executive Officer presented the final budget for FY 2013-2014, noting that this budget represents an approximately 2.7% increase over the FY 2012-13 budget, including an estimated 4.9% increase in Salaries & Benefits, and an estimated 1% increase in Services & Supplies.

There were no public speakers on this item.

Commissioner Tatzin suggested including reference to the OPEB liability funding being included in the fund balance.

Upon motion of Tatzin, second by McGill, Commissioners unanimously adopted the Final Budget for FY 2013-14 and authorized staff to distribute the Final Budget to the County, cities, and independent special districts as required by Government Code Section 56381.

10. Second Round Water/Wastewater Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates Request for Proposals (RFP)

The Executive Officer provided brief background, noting that all inaugural MSRs, and corresponding SOI updates for most agencies, have now been completed, and in accordance with LAFCO law, second round MSRs will now commence, beginning with a countywide review of water/wastewater agencies. Given the technical nature of water/wastewater services, it is recommended that LAFCO utilize professional consulting services for this MSR, as it has done in the past.

Staff pointed out that the depth of the review for each agency will depend on that agency's SOI needs and problems identified in the first round MSR. In response to a question from Commissioner Burke, staff noted that the information gathered from mutual water companies (MWCs) will be provided to the consultant hired as a result of this RFP, who will incorporate that information into the MSR.

Commissioners asked for comments from two wastewater agency representatives.

Stan Caldwell, from Mt. View Sanitary District, asserted that he approved of what had been discussed in the recent Commissioners' Strategic Planning Workshop.

Tom Williams, from Ironhouse Sanitary District, reported that the first round MSR inspired his district board and staff to think about their operations; however, he hopes this second round will not have to be as extensive.

Commissioner Tatzin suggested a change of phrasing in the RFP, and Commissioner Schmidt asked that Crockett CSD, Discovery Bay CSD, and Bryon Sanitary District be added to the list of agencies to be reviewed.

Upon motion of Tatzin, second by McGill, Commissioners unanimously approved, as amended, the Request for Proposals for the Water/Wastewater MSR and SOI updates; authorized its circulation to prospective companies; and directed staff to return to the Commission with a recommended contract award in accordance with the proposed timeline.

11. Contract Extension – Lamphier-Gregory

The Executive Officer provided background relating to the contract with Lamphier-Gregory, which has been providing professional planning services since 2008. Their familiarity with and understanding of the LAFCO process supplements and benefits LAFCO staff work on a number of projects including several pending reorganization proposals, the upcoming second round water/wastewater MSRs and policy & procedure updates. Staff noted that adequate funds are included in the FY 2013-14 budget for these services.

Commissioner Andersen asked about rate comparability.

Upon motion of Piepho, second by Andersen, Commissioners unanimously approved a one-year contract extension with Lamphier-Gregory extending the term of the contract from June 30, 2013 to June 30, 2014, and increasing the hourly billing rates.

12. Mt. Diablo Health Care District (MDHCD) Update

The Executive Officer reported that the City of Concord has successfully transitioned MDHCD into the City organization. There are two aspects of this transition explained in the staff report: (1) Administrative and (2) Grant Program Operation. Administratively, all District records and assets have been transferred to the City; the Concord City Manager has been appointed Executive Director of the District; the Concord City Attorney is now the District's legal counsel; and the Concord City Council is the new MDHCD Board. The official office of the MDHCD is now Concord City Hall.

The membership of the new MDHCD Grant Committee, now a subcommittee of the City's existing Community Services Commission, includes five Concord residents and two Pleasant Hill residents. Additionally, the MDHCD Board appointed City representatives to serve on the John Muir/Mt. Diablo Community Health Fund Board – three from Concord and two from Pleasant Hill.

The MDHCD Grant Committee has developed a grant process and received, in its first round, 34 applications requesting \$975,881 in funding. Approximately \$200,000 in grant funding is available.

Commissioner Burke asked about the status of MDHCD as it is now a dependent district.

Commissioner McGill commented on the successful reorganization of the District.

Upon motion of Tatzin, second by Piepho, Commissioners unanimously accepted the report.

13. CALAFCO 2013 Conference Material and Call for Board of Director Candidates, Achievement Award Nominations, and Designation of Voting Delegates

The Executive Officer noted that eight seats (two in each of the four regions) on the CALAFCO Board are up for election; including City and Public member seats in the Coastal Region. The deadline for Board nominations is July 29. The deadline for Achievement Awards is July 9. Voting delegates can be designated now.

Discussion ensued regarding appropriate nominations for CALAFCO Achievement Awards.

Upon motion of Tatzin, second by Piepho, Commissioners unanimously approved Achievement Award nominations of (a) the Mt. Diablo Health Care District Reorganization for Project of the Year and (b) Contra Costa LAFCO for Commission of the Year.

Upon motion of McGill, second by Tatzin, Commissioners also unanimously approved a nomination of Executive Officer Lou Ann Texeira for Executive Officer of the Year.

It was agreed that Commissioner Tatzin will draft the Executive Officer nomination, and EO Texeira will draft the Project and Commission nominations for review at the July 10 meeting.

Commissioner McGill also mentioned a new CALAFCO "Hall of Fame" award.

Regarding Board nominations, staff noted that nothing precludes one LAFCO from holding more than one seat on the CALAFCO Board. This will be discussed further at the July 10 meeting.

Upon motion of Tatzin, second by Piepho, Commissioners unanimously designated voting delegates as follows: 1) Commissioner Glover, Voting Delegate; 2) Commissioner Meadows, First Alternate; and 3) Commissioner McGill, Second Alternate.

14. Correspondence from CCCERA

There were no comments.

15. Commissioner Comments and Announcements

Commissioner McGill reported that on May 3 he attended the CALAFCO Board meeting, and on May 10 he attended the CALAFCO Legislative Committee meeting. He pointed out that this is the 50th anniversary of CALAFCO, and the Board is working on special plans for the Annual Conference. They have finalized the strategic plan and will release it soon.

16. Staff Announcements and Pending Projects

The Executive Officer announced that, in the absence of actionable items for the June meeting, she is asking the Chair to cancel the June 12 meeting.

The meeting was adjourned at 2:29 p.m.

Final Minutes Approved by the Commission on July 10, 2013.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

July 10, 2013 (Agenda)

July 10, 2013
Agenda Item 6

LAFCO 13-02 **Sphere of Influence Amendments – Rodeo Sanitary District**

SUMMARY

This is a proposal submitted by the Rodeo Sanitary District (RSD) to expand the District's sphere of influence (SOI) to include 61± acres in four areas as described below and depicted on the attached map (Attachment 1). The District has also submitted corresponding annexation applications.

- **Area 1** – area surrounding Rodeo Marina (26.8± acres, including 10.76± acres of land)
- **Area 2** – narrow strip of land that lies between the Union Pacific right of way and just north of San Pablo Ave, owned by East Bay Regional Park District (1.09± acres)
- **Area 3** - narrow strip of land that lies between the Union Pacific right of way and just north of San Pablo Ave, currently has residential apartments and small businesses (0.63± acre)
- **Area 4** – Bayo Vista Housing Authority complex (32.76± acres)

In addition to the above areas, LAFCO staff recommends adding a fifth SOI adjustment (**Area 5**) to bring the area located north of Viewpoint Blvd. and Donald Drive into the District's SOI, as this area is already within RSD's service boundary.

The purpose of the SOI amendments is to facilitate the future annexation of properties currently receiving sewer service into the RSD boundary, allow for the extension of sewer service to other properties, and correct boundary/SOI discrepancies. The District has submitted two corresponding annexation proposals to annex the Rodeo Marina area and Bayo Vista apartment complex.

BACKGROUND

Rodeo Sanitary District - RSD is an independent special district formed originally in 1914 that provides sanitary sewer services. The District serves the unincorporated communities of Rodeo and Tormey, located adjacent to San Pablo Bay. RSD encompasses 1.4± square miles and serves approximately 8,717 residents. The District's SOI is not coterminous with its service boundary.

The District serves three non-contiguous service areas: an area of medium density single family residential, north of Willow Avenue; a small area designated for public use west of San Pablo Avenue; and an area primarily designated for heavy industrial use west of Crockett.

In 2008, LAFCO completed the West County Water/Wastewater Municipal Service Review (MSR). The MSR noted that RSD is currently providing service to the Bayo Vista apartment complex, which is outside RSD's boundary. The District seeks to add this property (Area 4) to the RSD SOI and service boundary.

In addition, RSD is looking to add the Rodeo Marina area, including two parcels that are currently receiving sewer service through the District. Land uses in this area include commercial and recreational.

LAFCO Law - The Cortese-Knox-Hertzberg Act (CKH Act) empowers LAFCO with the responsibility for developing and determining the SOI of each local agency within the county, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

An SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO. The intent of an SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future (e.g., 10-20 year horizon). Accordingly, territory included in an agency's sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

The CKH Act requires that LAFCO decisions regarding boundary changes be consistent with SOIs of local agencies. LAFCO is prohibited from approving annexations that are not within the annexing agency's SOI. Once an SOI is established, annexations must still be individually weighed and evaluated on their own merit.

LAFCO Municipal Service Review (MSR) - State law requires LAFCO to review and update the SOI of each local agency not less than every five years, as necessary. In conjunction with an SOI update, LAFCO must prepare an MSR.

In August 2008, LAFCO completed the *West County Water/Wastewater MSR* covering three cities and five districts, including RSD. The MSR included the following three SOI/governance options for RSD:

1. ***Retain existing SOI and maintain the status quo***
2. ***Consolidate sanitary sewer service with a portion of Hercules*** - The City of Hercules provides wastewater services within its corporate boundaries to the south of RSD. There may be an opportunity for RSD to provide treatment for two subdivisions within the northern portion of the city. The MSR determined that further study would be required to determine the costs/benefits of a consolidation.
3. ***Amend the SOI and annex areas currently being served by RSD*** (including the Bayo Vista complex).

In conjunction with the 2008 MSR, LAFCO reaffirmed the District's SOI and encouraged RSD to annex those areas currently receiving out of agency service.

DISCUSSION

LAFCO has received applications to amend the RSD's SOI and annex the Rodeo Marina and surrounding areas (Areas 1, 2 and 3), and the Bayo Vista apartment complex (Area 4) as shown on the attached map.

As indicated above, the SOI amendments will facilitate the proposed annexation of those properties currently receiving sewer service into the RSD boundary, which include the Bayo Vista apartment complex and two parcels in the Rodeo Marina Area. The proposed SOI amendments and annexations will also allow for the extension of sewer service to other properties, and correct an SOI discrepancy.

Sphere of Influence Determinations - Pursuant to Government Code section 56425, when amending an SOI for a local agency, LAFCO is required to consider and prepare a written statement of determinations with respect to the following:

1. *The present and planned uses in the area, including agricultural and open space lands.*

Present land uses are as follows: **Area 1** – designated commercial/recreational and includes a marina, marina related businesses, a restaurant/bar and vacant land; **Area 2** - is owned by East Bay Regional Parks (Lone Tree Park) and is designated for public recreational/trail uses; **Area 3** – mixed uses including residential and commercial/recreation and includes apartments, small businesses and vacant land; **Area 4** – designated multi-family residential high density (Bayo Vista Housing Authority, 52 multi-family dwelling units) and public/semipublic. This area is built out. **Area 5**– single family residential development along Viewpoint Blvd. already within the District's service boundary. The proposal area is within the countywide Urban Limit Line. There are no current Williamson Act Land Conservation Agreements within the project site and the proposed SOI amendment will facilitate no changes in land use.

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

There is present and probable need for sewer services with the current residential and commercial uses and proposed marina development. The County is currently processing a permit for a small scale winery with tasting room and retail sales of wine.

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

RSD encompasses 1.4± square miles and serves approximately 8,717 residents. The District's wastewater collection system consists of 25 miles of sewer mains with two pump stations and two force mains. The majority of RSD's system operates with gravity flow, along with pumping stations and force mains. RSD's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately .5 million gallons per day (mgd) of wastewater. The District's wastewater treatment plant has a permitted discharge limit of 1.14 mgd. RSD indicates that it is willing and able to provide services to the proposal areas.

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

The subject area is located in unincorporated Rodeo and is part of the social and economic Rodeo community. The proposal area will benefit from services provided by RSD.

5. The nature, location, extent, functions and classes of service to be provided.

RSD serves the unincorporated Rodeo and Tormey communities located adjacent to San Pablo Bay. The District provides wastewater collection, treatment, and disposal services, and contracts for solid waste collection service for Rodeo with the Richmond Sanitary Service.

Environmental Impact of the Proposal - With respect to the environmental review, the District, as Lead Agency, has determined that the inclusion of the Bayo Vista Housing Authority area is exempt from the California Environmental Quality Act (CEQA) as there is no underlying project. Further, the property is already receiving sewer services, and this is essentially a boundary clean-up.

Regarding the marina and surrounding areas, these parcels are included in Contra Costa County's Environmental Impact Report (EIR) for the Rodeo Downtown Waterfront General Plan Amendment and Specific Plan (certified August 1997, SCH#95033055). The County conducted a subsequent assessment of environmental effects of the proposed annexation in the form of an Environmental Checklist, which

concluded that "...no new effects could occur or no new mitigation measures would be required that were not examined in the Rodeo Downtown/Waterfront Specific Plan EIR, adopted August 12, 1997, per Section 15168(c)(2) of the CEQA Guidelines. The proposed project is within the scope of the project covered by the program EIR and no new environmental document is required (adopted December 6, 2010).

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 actions:

- Option 1** Approve the proposed expansions to the RSD's SOI to include the five areas as shown on the attached map (Attachment 1).
- A. For the Bayo Vista Housing Authority (Area 1) and the area located north of Viewpoint Blvd. and Donald Drive (Area 5), determine that the project is exempt pursuant to CEQA Guidelines, Section 15061(b)(3).
 - B. For the Marina and surrounding areas (Areas 2, 3 and 4), certify that LAFCO has reviewed and considered the information contained in the Rodeo Downtown/Waterfront Specific Plan EIR and related environmental documentation as prepared and certified by the County of Contra Costa (Lead Agency), including the associated Mitigation Monitoring and Reporting Program, and adopt the County's Findings of Fact.
 - C. Adopt this report and amend the RSD's SOI described herein and shown on the attached map.
- 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
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION





Attachments

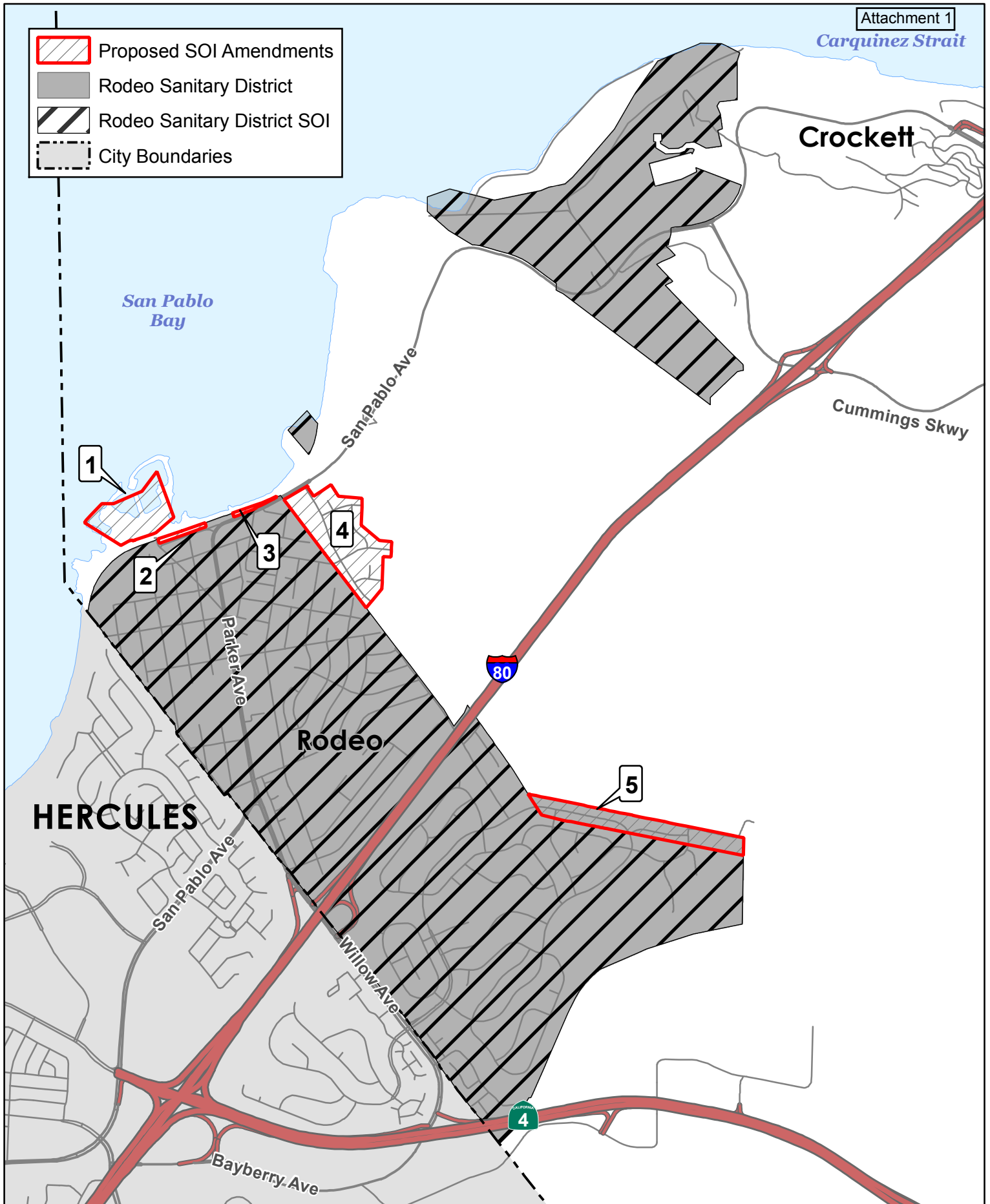
- 1 - Map – RSD Proposed SOI Amendments
- 2 - Draft LAFCO Resolution – RSD SOI Amendment

c: Steve Beall, General Manager, RSD
Maureen Toms, Contra Costa County Dept. of Conservation & Development

LAFCO 13-02 Rodeo Sanitary District Sphere of Influence Amendments

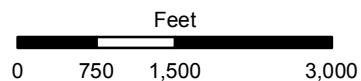
Attachment 1

-  Proposed SOI Amendments
-  Rodeo Sanitary District
-  Rodeo Sanitary District SOI
-  City Boundaries



Map created 05/21/2013
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
 37:59:41.791N 122:07:03.756W

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.



SPHERE OF INFLUENCE RESOLUTION NO.13-02

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 MAKING DETERMINATIONS AND EXPANDING THE SPHERE OF INFLUENCE
 OF THE RODEO SANITARY DISTRICT – BAYO VISTA HOUSING AUTHORITY AND RODEO MARINA

WHEREAS, a proposal to expand the sphere of influence (SOI) of the Rodeo Sanitary District (RSD) was filed by RSD with the Contra Costa Local Agency Formation Commission (LAFCO) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56425); 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, SOI and applicable General and Specific Plans and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference;

NOW, THEREFORE, the Contra Costa LAFCO DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The matter before the Commission is proposed expansion to the SOI of the RSD to include a total of 61± acres in five areas including Bayo Vista Housing Authority and Rodeo Marina areas located in the unincorporated Rodeo community.
2. For the Bayo Vista Housing Authority (Area 1) and the area located north of Viewpoint Blvd. and Donald Drive (Area 5), determine that the project is exempt pursuant to CEQA Guidelines, Section 15061(b)(3).
3. For the Marina and surrounding areas (Areas 2, 3 and 4), certify that LAFCO has reviewed and considered the information contained in the Rodeo Downtown/Waterfront Specific Plan Environmental Impact Report and related environmental documentation as prepared and certified by the County of Contra Costa (Lead Agency), including the associated Mitigation Monitoring and Reporting Program, and adopt the County’s Findings of Fact.
4. The RSD SOI is hereby modified in the areas as shown on the attached map (Exhibit A).
5. The Commission has considered the criteria set forth in Government Code §56425 and determines as follows:

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

Present land uses are as follows: **Area 1**– designated commercial/recreational and includes a marina, marina related businesses, a restaurant/bar and vacant land; **Area 2**- owned by East Bay Regional Parks (Lone Tree Park) and is designated for public recreational/trail uses; **Area 3**– mixed uses including residential and commercial/recreation and includes apartments, small businesses and vacant land; **Area 4**– designated multi-family residential high density (Bayo Vista Housing Authority, 52 multi-family dwelling units) and public/semipublic. This area is built out. **Area 5**– single family residential development along Viewpoint Blvd already within the District’s service boundary. The proposal area is within the countywide Urban Limit Line. There are no current Williamson Act Land Conservation Agreements within the project site and the proposed SOI amendment will facilitate no changes in land use.

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

There is present and probable need for sewer services with the current residential and commercial uses and proposed marina development. The County is currently processing a permit for a small scale winery with tasting room and retail sales of wine.

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

RSD encompasses 1.4± square miles and serves approximately 8,717 residents. The District wastewater collection system consists of 25 miles of sewer mains with two pump stations and two force mains. The majority of RSD’s system operates with gravity flow, along with pumping stations and force mains. RSD’s wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately .5 million gallons per day (mgd) of wastewater. The District’s wastewater treatment plant has a permitted discharge limit of 1.14 mgd. RSD indicates that it is willing and able to provide services to the proposal areas.

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

The subject area is located in unincorporated Rodeo and is part of the social and economic Rodeo community. The proposal area will benefit from services provided by RSD.

The nature, location, extent, functions and classes of service to be provided.

The District provides wastewater collection, treatment, and disposal services, and contracts for solid waste collection service for Rodeo with the Richmond Sanitary Service. RSD serves the unincorporated Rodeo and Tormey communities located adjacent to San Pablo Bay.

PASSED AND ADOPTED THIS 10TH day of July 2013, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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: July 10, 2013

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

July 10, 2013 (Agenda)

July 10, 2013
Agenda Item 7

LAFCO 13-05 **Sphere of Influence Amendments - Central Contra Costa Sanitary District (CCCSD) and Mt. View Sanitary District (MVSD)**

PROPOSERS CCCSD – Resolution No. 2012-095 dated December 6, 2012
MVSD – Resolution No. 1330-2013 dated February 14, 2013

ACREAGE & LOCATION The districts propose to adjust their spheres of influence (SOIs) by 18.2± acres (Martinez area) as shown on the attached map (Attachment 1)

PURPOSE: To correct parcel, boundary and service irregularities between the two districts.

SUMMARY

In November 2011, the Central Contra Costa Sanitary District (CCCSD) submitted a proposal to annex 99.7± acres in nine areas located in Lafayette and Martinez (CCCSD Annexation No. 182). It was subsequently discovered that a portion of the area proposed for annexation is within the Mt. View Sanitary District's (MVSD) SOI. The subject area comprises nine parcels (18.2± acres) located on Kendall Court and Northridge Road in the City of Martinez, and includes six single family residential homes, three vacant parcels, and one parcel that is government owned and holds a water tank. All properties are within the countywide Urban Limit Line.

The two districts have reviewed their respective SOIs and service boundaries and have determined that CCCSD is the most logical service provider for these nine parcels. Subsequently, each district board approved a resolution of application to amend their respective SOIs to add the nine parcels to the CCCSD SOI and remove the same parcels from the MVSD SOI, subject to LAFCO's approval.

BACKGROUND

MVSD's boundary and SOI are contiguous to CCCSD on all sides, since MVSD is an island within CCCSD's service area. MVSD was established in 1923 and serves the unincorporated areas of Mountain View, Vine Hill, and Northern Pacheco, and a portion of the City of Martinez. CCCSD was formed in 1946 to serve areas to the south (Lamorinda, Walnut Creek, Pleasant Hill), and eventually expanded to include Alamo, Danville and San Ramon. Previously, the City of Martinez had its own sanitary system, but voted to annex to CCCSD in 1968; thus allowing CCCSD to encircle MVSD, which at that time was an adjacent district.

The districts have a long-standing agreement to cooperate on projects and programs; and they share resources, where appropriate, to improve service and for cost effectiveness. The districts collaborate on programs including the Household Hazardous Waste Collection Facility that serves central Contra Costa County. MVSD contracts with CCCSD to perform certain services, which provides economies of scale to both districts and allows MVSD to keep personnel costs lower. Services provided by CCCSD include conducting laboratory tests in its environmental lab, providing inspection services for MVSD's commercial accounts, and implementing the Fats, Oils and Grease control program. Additionally, CCCSD assists in the preparation of MVSD's Annual Pollution Prevention Report.

DISCUSSION

The Cortese-Knox-Hertzberg Act (CKH Act) empowers LAFCO with the responsibility for developing and determining the SOI of each local agency within the county, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

An SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO. The intent of an SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future (e.g., 10-20 year horizon). Accordingly, territory included in an agency's sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

The CKH Act requires that LAFCO decisions regarding boundary changes be consistent with SOIs of local agencies. LAFCO is prohibited from approving annexations that are not within the annexing agency's SOI. Once an SOI is established, annexations must still be individually weighed and evaluated on their own merit.

State law requires LAFCO to review and update, as necessary, the SOI of each local agency not less than every five years. In conjunction with an SOI update, LAFCO must prepare a Municipal Services Review (MSR). In April 2008, the Commission accepted the MSR report covering water and wastewater services in Central Contra Costa County. The MSR included a review of CCCSD and MVSD services along with SOI options and recommendations. In accordance with the MSR, the Commission updated the SOIs for CCCSD and MVSD.

In determining a sphere, LAFCO is required to consider and prepare a written statement of determinations with respect to certain factors prior to making a decision, as discussed below (Gov. Code §56425).

1. The present and planned uses in the area, including agricultural and open space lands.

The subject properties are zoned rural residential (minimum lot size 40,000 sq. ft., 0-6 units/gross acre). Surrounding areas to the north, south, east and west include single family residential uses.

The proposed SOI amendments and pending annexation will facilitate no changes in land use.

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

There is a present and probable need for wastewater facilities and services to serve the existing single family homes, and facilitate service to the three vacant parcels.

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

CCCSD currently serves an estimated population of 467,500 residents in a 144-square-mile service area. CCCSD's wastewater collection system consists of 1,500 miles of sewer mains with 19 pump stations. The majority of CCCSD's system operates with gravity flow with some pumping stations and force mains. All sewer connections to the subject property will be either gravity flow or individual residential pump systems.

CCCSD's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 33.2 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a permitted discharge limit of 53.8 mgd.

CCCSD has sufficient capacity to accommodate dry and wet weather sewer flows from the proposed SOI amendment.

4. *The 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 social or economic communities of interest that are relevant to the proposed SOI amendments are the Martinez community and CCCSD customer base. The SOI amendments are consistent with the City of Martinez General Plan, and would reflect logical adjustments to the CCCSD and MVSD boundaries.

In addition to the above determinations, the Commission, when adopting, amending, or updating an SOI for a special district, shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

CCCSD provides wastewater collection, treatment, and disposal services for Danville, Lafayette, Moraga, Orinda, Pleasant Hill, and Walnut Creek, and portions of Martinez and San Ramon and unincorporated areas within central Contra Costa County. The District also provides wastewater treatment for the cities of Concord and Clayton, and is a partner in the Household Hazardous Waste Collection Facility (HHWCF) that serves the central portion of the county.

MVSD provides wastewater collection, treatment, and disposal services for the central portion of the City of Martinez and adjacent unincorporated lands to the northeast. The District collaborates with CCCSD to provide a permanent HHWCF and disposal services for the central portion of the county. MVSD has a franchise agreement with Allied Waste (parent company to Pleasant Hill Bayshore Disposal) for Allied Waste to provide trash collection, recycling, and disposal services within the unincorporated area of MVSD's boundaries.

Environmental Impact of the Proposal

CCCSD, as Lead Agency, has determined that all of the properties in the subject areas are Categorically Exempt – Class 19, Section 15319.

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 actions:

Option 1 Approve amendments to the SOIs of CCCSD and MVSD resulting in a net increase in CCCSD's SOI of 18.2± acres, and a net decrease in MVSD's SOI of 18.2± acres as depicted on the attached map (Attachment 1).

A. Determine that the CCCSD, as Lead Agency, found the project to be Categorically Exempt – Class 19, Section 15319.

- B. The Commission determines the project is exempt pursuant to CEQA Guidelines, Section 15319, consistent with the determination of CCCSD acting as Lead Agency.
- C. Adopt this report and amend the SOIs of CCCSD and MVSD as described herein and shown on the attached maps.

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:

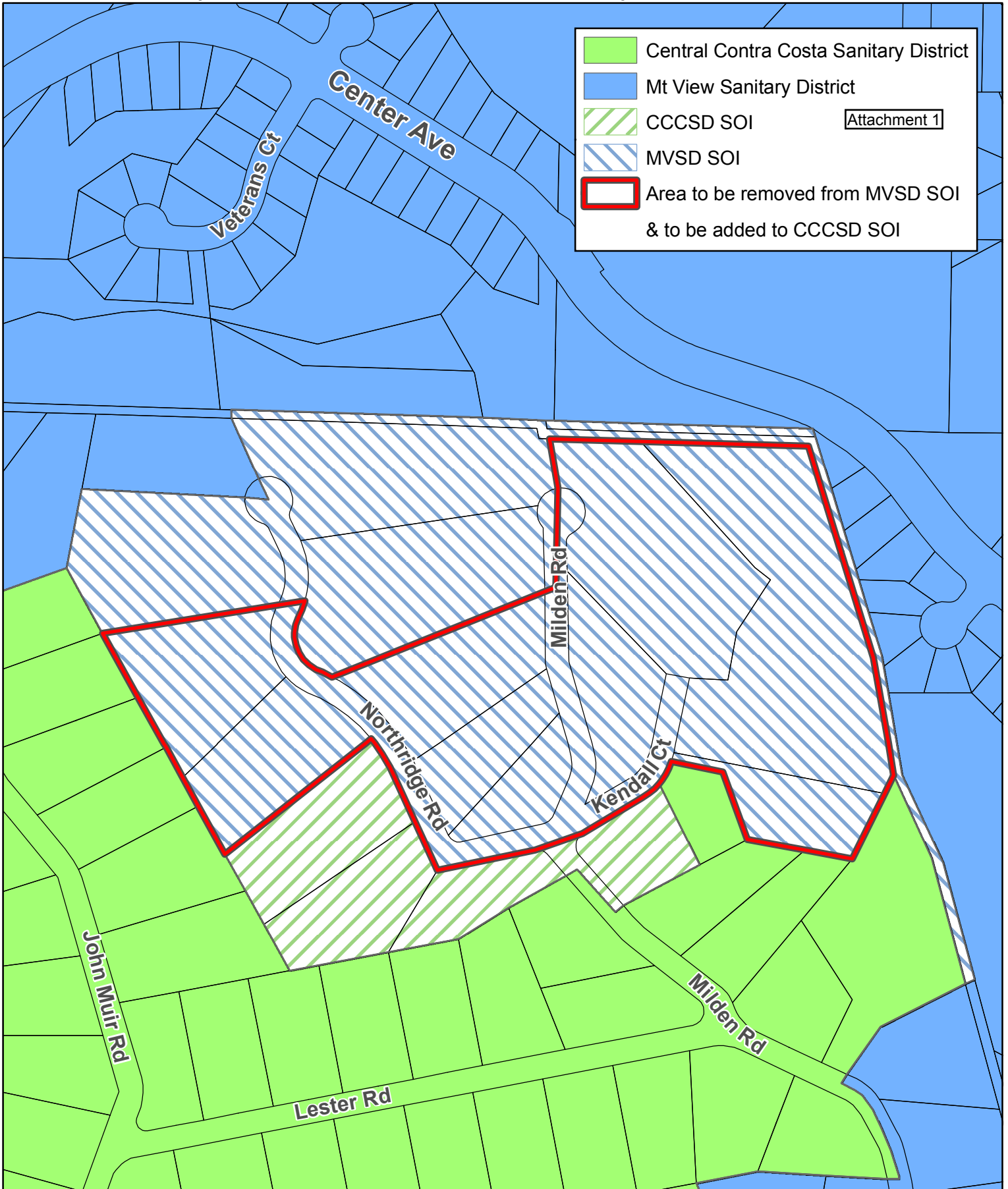
Approve Option 1.

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

Attachments

1. Attachment 1 – Map of Proposed SOI Amendments
2. Attachment 2 – Draft LAFCO Resolution - CCCSD and MVSD SOI Amendments

LAFCO No. 13-05 - Reorganization 182 & 2013-01: Central Contra Costa Sanitary District and Mt. View Sanitary District SOI Amendments



SPHERE OF INFLUENCE RESOLUTION NO. 13-05

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 MAKING DETERMINATIONS AND MODIFYING THE SPHERES OF INFLUENCE
 OF CENTRAL CONTRA COSTA SANITARY DISTRICT AND
 MT. VIEW SANITARY DISTRICT (CCCSD Annexation No. 182)

WHEREAS, a proposal to modify the spheres of influence (SOIs) of the Central Contra Costa Sanitary District (CCCSD) and Mt. View Sanitary District (MVSD) was filed with the Contra Costa Local Agency Formation Commission (LAFCO) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56425); 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, SOIs and applicable General and Specific Plans and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference;

NOW, THEREFORE, the Contra Costa LAFCO DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The matter before the Commission is the proposed amendments to the SOIs of CCCSD and MVSD totaling 18.2± acres located on Kendall Court and Northridge Road in the City of Martinez.
2. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA); and in accordance with CEQA, finds the project is exempt pursuant to CEQA Guidelines, Section 15319, consistent with the determination of CCCSD acting as Lead Agency.
3. The CCCSD and MVSD SOIs are hereby modified in the areas as shown on the attached map (Exhibit A).
4. The Commission has considered the criteria set forth in Government Code §56425 and determines as follows:

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

Approximately 18.2± acres are deleted from MVSD's SOI, and the corresponding 18.2± acres are added to CCCSD's SOI in order to correct boundary and service irregularities and to facilitate the future annexation of the properties to CCCSD (Annexation No. 182).

The SOI areas are located on Kendall Court and Northridge Road in the City of Martinez and are zoned rural residential (minimum lot size 40,000 sq. ft., 0-6 units/gross acre). There are no current Williamson Act Land Conservation Agreements within the project site.

The proposed SOI amendments will facilitate no changes in land use.

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

Currently, the area includes six single family residential units and three vacant parcels. There is a present and probable need for wastewater facilities and services to serve the subject area.

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

CCCSD's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 33.2 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a permitted discharge limit of 53.8 mgd.

CCCSD has sufficient capacity to accommodate dry and wet weather sewer flows from the proposed SOI amendment.

The 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 social or economic communities of interest include the Martinez community and the CCCSD customer base. The SOI amendments are consistent with the City of Martinez General Plan, and would reflect logical adjustments to the CCCSD and MVSD boundaries.

The nature, location, and extent of any functions or classes of services provided by the existing districts.

CCCSD provides wastewater collection, treatment, and disposal services for Danville, Lafayette, Moraga, Orinda, Pleasant Hill, and Walnut Creek, as well as a portion of Martinez and San Ramon and unincorporated areas within central Contra Costa County. CCCSD also provides wastewater treatment for the cities of Concord and Clayton, and is a partner in the Household Hazardous Waste Collection Facility (HHWCF) that serves the central portion of the county.

MVSD provides wastewater collection, treatment, and disposal services for the central portion of the City of Martinez and adjacent unincorporated lands to the northeast. The District collaborates with CCCSD to provide a permanent HHWCF and disposal services for the central portion of the county. MVSD has a franchise agreement with Allied Waste (parent company to Pleasant Hill Bayshore Disposal) for Allied Waste to provide trash collection, recycling, and disposal services within the unincorporated area of MVSD's boundaries.

PASSED AND ADOPTED THIS 10TH day of July 2013, by the following vote:

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

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: July 10, 2013

Lou Ann Teixeira, Executive Officer



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member

Dwight Meadows
Special District Member
Mary N. Piepho
County Member
Rob Schroder
City Member

Don Tatzin
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member
Sharon Burke
Public Member
Tom Butt
City Member
George H. Schmidt
Special District Member

July 10, 2013
Agenda Item 8

July 10, 2013 (Agenda)

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 GenOn (NRG Energy) 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 Northeast Antioch annexation and the tax transfer negotiations efforts. A subcommittee was formed to address these and other issues.

LAFCO representatives participated in monthly subcommittee meetings from April to October 2011; and the City and County have provided LAFCO with regular updates. In October 2012, the subcommittee resumed meeting, and last met on January 28, 2013.

On May 15, the Antioch Planning Commission considered the City’s CEQA document and pre-zoning, and forwarded the matter to the City Council for consideration/approval in July.

On May 22, a third community meeting was held at the Bridgehead Café (Area 2b). Agency staff responded to questions and comments relating primarily to zoning, utility hook-ups, the LAFCO process and designation of Area 2b as an island, and next steps. City staff distributed an informational packet at the community meeting which includes a meeting agenda, the City’s goals for Area 2b, and a tentative timeline/next steps (Attachment 1).

On May 22, LAFCO received a letter from Jenny & Jenny LLP, representing one of the residents of Area 2b (Attachment 2). In his letter, Mr. Jenny letter raises questions regarding the LAFCO process (i.e., protest proceedings) and island annexations, and the appropriateness of the City’s Mitigated Negative Declaration. On May 28, LAFCO staff responded to Mr. Jenny’s letter (Attachment 3).

In accordance with the City's tentative schedule for processing the Northeast Antioch annexations, the City Council will be asked to take action the rezoning, CEQA documents, tax sharing and infrastructure agreements sometime this month.

City and County staff will be available at the July 10 LAFCO meeting to provide additional information and respond to questions.

RECOMMENDATION - Receive the monthly update and provide comment and direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachment 1 – May 22, 2013 Area 2b Community Meeting Agenda Packet

Attachment 2 – Letter from Jenny & Jenny, LLP

Attachment 3 – LAFCO's Response Letter to Jenny & Jenny, LLP

AGENDA

May 22, 2013 Neighborhood Meeting #3
Northeast Antioch Annexation
7:00pm, Bridgehead Café

1. **Introductions**
2. **Prezoning Goals:** Summary and discussion of the “Goals” to be implemented by the “S” Study District prezoning designation applicable to Area 2b, and as recommended for approval by the Planning Commission (*see Attachment “1”, list of “Goals” for Area 2b as supported by the Planning Commission*)
 - Description of “S” Study Zone “Goals” as recommended for approval on May 15, 2013 by the Planning Commission.
 - Discussion of possible additional/modified “Goals” to be added to Attachment “1”.
3. **Connection Fees/Costs:** Proposal whereby the “Annexation Incentive Funds” from GenOn would be allocated to fund the cost of sewer and water connections for income eligible existing owner occupied residential parcels in Area 2b.
4. **Next Steps/Schedule:** Schedule for the next steps in the Northeast Antioch Annexation process, including the prezoning, environmental documentation, the Tax Sharing Agreement between the City and the County, and the Infrastructure Funding Agreement between the City and the County (**see Attachment 2, tentative schedule for processing annexation**). The timing and dates shown in Attachment 2 are tentative and subject to change.
5. **Questions/Answers:** Open meeting to questions and answers from public on any issues not covered, or on issues needing clarification.

ATTACHMENT "1"

**City of Antioch Northeast Reorganization:
Goals for Annexation Area 2b to be implemented through the "S" Study District Process (Z-13-03), or
alternate means, such as General Plan changes or modifications to other Sections of the City Code**

The following are the goals the City intends to implement as part of the "S" Study District rezoning process for Area 2b. These goals may be implemented through the Zoning Ordinance, or by General Plan Changes, or through modifications to other pertinent sections of the City Code or other City requirements. The "S" Study District will give the City up to two years to develop appropriate zoning designation(s) to apply to Area 2b. The intended overall goal of this "S" Study District process will be the creation of new or modified City zoning designations that will appropriately accommodate existing and planned land uses and development for Area 2b. The following are the Goals that the City Council is directing City staff to address and otherwise incorporate into the zoning and other City regulations and requirements pertinent to Annexation Area 2b.

1) Development Standards

- a) Develop zoning regulations and development standards that best fit/accommodate existing structures, uses, and lots within Area 2b in order to minimize to the extent practical the number of non conforming buildings and uses, with the caveat that protection of public health and safety shall take precedence over ensuring zoning conformity.
- b) Develop zoning development standards applicable to Area 2b in such a manner as to preserve the existing rural character of the area.
- c) Develop an agricultural overlay zone to protect and maintain the existing agricultural uses in the area, including the extensive vintage grape vines. Allow existing agricultural uses to continue by "grandfathering" the existing agricultural uses upon annexation into the City.
- d) Address the keeping of boats, trailers, and other vehicles within Area 2b with the regulations that incorporate and reflect to the extent practical the current County requirements, as opposed to current City requirements concerning the keeping of boats, trailers, and other vehicles.
- e) Allow for building additions and other expansions of existing structures for properties where connections have been made to the City's sewer system, and where such additions/expansions meet the relevant zoning requirements applicable to Area 2b.
- f) Consider subdivisions in cases where properties meet minimum lot size and other relevant requirements, and have connections to City sewer systems.

2) Sewer and Water Connection

- a) Address the City's existing code requirement mandating the connection to the City sewer system for residential and commercial uses that are within 200 feet of a City sewer system, by preparing a modified standard applicable specifically to Area 2b that would waive the distance requirement for a mandatory sewer connection in the event the septic system is functioning properly, as determined by the County Environmental Health Department.
- b) Acknowledge that within Area 2b sewer connections will be required as dictated by the County Environmental Health Code, and not by the City's 200 foot distance standard. It is the City's understanding that County Environmental Health requires a residence/business to connect to an existing sewer system in the event all of the following circumstances apply; 1) there is an available sewer within 300 feet, and 2) the septic system is not functioning properly as determined by County Environmental Health, and 3) the septic system will require a major repair as determined by County Environmental Health.

ATTACHMENT "1"

- c) It is the City's intent that the City's current regulations regarding water connections will be applicable to Area 2b. These current City regulations do not require a property relying on a well for potable water to connect to an available City water system. Any such connections to a City water system will be made at the discretion of the Area 2b resident/property owner. Additionally, any residents/property owners that choose to hook up to the City's potable water system, may continue to use their well water for non potable purposes such as irrigation, subject to the installation of valves and other devices as required by the City Engineer.

3) Streets

- a) Develop a City of Antioch standard street section applicable to Area 2b that takes into account the existing street network, widths, and drainage. Such a modified street section will permit narrower streets without the standard requirements for curb/gutter/sidewalk along the entire street frontage.
- b) The City has no interest in proposing or supporting extending any of the existing streets, public or private, within Area 2b to connect with/or extend to streets outside of Area 2b, as such connections are not needed for circulation purposes, nor for emergency vehicle access.
- c) The City has no interest in acquiring, condemning, or otherwise taking over ownership of any part or portion of the many private streets located within Area 2b. The City will not install infrastructure or make any improvements within privately owned streets unless and until all of the owners of that privately owned street voluntary agree to grant the City the necessary rights of way/easements in which to install the infrastructure.

4) Livestock

- a) Utilize the existing municipal code requirements pertaining to livestock. In cases where the City requirements are more restrictive than the County regarding the keeping of animals, then the City will "grandfather" animals allowed under the County, provided the conditions are determined safe and sanitary by the City.

5) Home Occupations

- a) Utilize the existing municipal code requirements for home occupational use permits. In cases where the City's Home Occupation ordinance is more restrictive than the County regarding home based businesses, the City will "grandfather" any home based business legally established and allowed under the County.

ATTACHMENT "2"

Tentative Schedule for Processing Annexation/Reorganization of Area 2b

The following schedule is tentative, and is subject to change. Prior to a specific hearing it would be prudent to verify with City representatives if the hearing date is still valid. Contact Mindy Gentry at [mgentry@ci.antioch.ca.us](mailto:mgency@ci.antioch.ca.us) , (925)779-7035; or Victor Carniglia at vcarniglia@municipalresourcegroup.com , (925) 770-7036

July 9, 2013: City Council hearing to consider the following items:

- **Environmental Documentation**, Mitigated Negative Declaration.
- **Mitigation Monitoring and Reporting Program** for Mitigated Negative Declaration.
- **Rezoning** for Areas 1, 2a, and 2b.
- **Tax Transfer Agreement** with the City to determine how tax revenues will be shared between City and County.
- **Infrastructure Funding Agreement** with the City determining 1) the extent of the sewer/water/storm infrastructure improvements serving Area 2b, 2) the sharing of the infrastructure costs, 3) agreement on formation of a program to fund infrastructure connection costs for qualified residents in Area 2b.
- **Staff Reports:** For the July 9, 2013 date the staff report would be available July 3, 2013. Copies of the reports would also be available at City Hall.

July 2013 or August 2013: Board of Supervisors meeting to consider the following items. (The exact date of the Board action would be determined once City Council has taken action):

- **Tax Transfer Agreement** with the County to determine how tax revenues will be apportioned between City and County.
- **Infrastructure Funding Agreement** with the County determining, 1) the sharing of the infrastructure costs, 2) the timing of the installation of the infrastructure improvements, 3) agreement on formation of a program to fund infrastructure connection costs for qualified residents in Area 2b.

September 11, 2013 or October 9, 2013: LAFCO hearing to consider the following items:

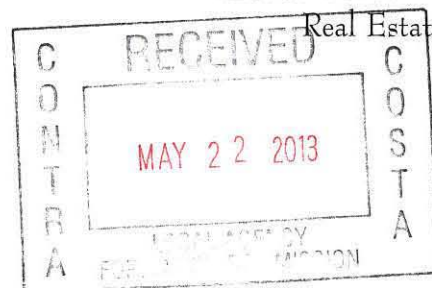
- **LAFCO's consideration of the annexation/reorganization of Area 2b.**

JENNY & JENNY, LLP
Attorneys at Law

Scott E. Jenny, Esq.
Richard K. Jenny, Esq.

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Telephone: (925) 228-1265
Facsimile: (925) 228-2841
JJJLLP.com

Eminent Domain
Inverse Condemnation
Real Estate Law



Commissioner
LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553

Re: Northeast Antioch Reorganization Mitigated Negative Declaration

Dear LAFCO:

I represent John C. Mitosinka and Carey Mitosinka of 1277 St. Clair Drive in Antioch. On behalf of my clients, I offer the following objections to the North East Antioch Reorganization Annexation.

I. THE LANDOWNERS ARE ENTITLED TO PROTEST PROCEEDINGS.

The owners of property located within proposed areas of annexation are generally permitted to vote on whether or not to annex. This gives them the opportunity to choose for themselves which jurisdiction, the city or county, they will be part of. Annexation voting occurs through what is known as “protest hearing proceedings.” The landowners affected by the Northeast Antioch Reorganization Annexation are entitled to protest proceedings and a vote thereon. As clearly stated in LAFCO’s Northeast Antioch Monthly Update dated September 12, 2012, attached hereto as Attachment 1:

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 56372.3 and thereby avoid the protest proceedings that would otherwise be required.

A copy of Attorney General (AG) Opinion No. 10-902 discusses the annexation process. The AG defines an “island” as unincorporated property that is completely surrounded, or substantially surrounded, by the city to which annexation is proposed or completely surrounded by the city to which annexation is proposed and adjacent cities.

To reduce the cumulative environmental impacts of the Project, the City has broken up the 678 acre project into Subareas 1, 2a and 2b. Subarea 1 consists of 481 acres; Subarea 2a consists of 94 acres; and Subarea 2b consists of 103 acres. This is an improper method of breaking up the subject property into smaller islands which avoids the protest reviews. Dividing islands into smaller segments of 150 acres or less, avoiding the landowner/voter protest proceedings, is not permitted. Areas 2a and 2b do not qualify as islands and the landowners are entitled to protest proceedings. The three subareas must be considered a single area exceeding 150 acres, and therefore the provisions of Section 56375.3 are not permitted. LAFCO lacks discretion or authority to use streamlined procedures to annex an island that exceeds 150 acres in area. Thus, LAFCO lacks discretion or authority to use the streamlined procedures to annex subareas 2a and 2b without the protest procedures.

The Attorney General concludes:

A Local Agency Formation Commission may not split up an unincorporated island that exceeds 150 acres into smaller segments of 150 acres or less in order to utilize the streamlined "island annexation" procedures set forth in Government Code section 56375.3 and thereby avoid the landowner/voter protest proceedings that would otherwise be required.

Subareas 2a and 2b must be considered as a part of the 678 acres and not broken into islands. Thus, the City and LAFCO must present an annexation application for the entire 678 acres, prezone the entire 678 acres, and consider the entire 678 acres in the appropriate CEQA document. To date this has not occurred as the 678 acres has been approached piecemeal, which is not permitted under the AG's opinion, and is therefore illegal. Then, landowner protest and voting procedures must be permitted for the landowners of all 678 acres.

II. A MITIGATED NEGATIVE DECLARATION IS IMPROPER.

My clients object to the project being adopted by way of a Mitigated Negative Declaration rather than a formal Environmental Impact Report. To reduce the cumulative environmental impacts of the Project, the City has broken up the 678 acre project into Subareas 1, 2a and 2b. Subarea 1 consists of 481 acres; Subarea 2a consists of 94 acres; and Subarea 2b consists of 103 acres. This is an improper method to review such a project. By breaking the project into different sub-parts, the environmental impacts are lessened.

California law defines the "Project" as "the whole of an action." In *City of National City v. State of California* (1983) 140 Cal. App. 3d 598, the court defined a project. In footnote 2 on page 603, the *National City* court stated:

In determining what is a project within CEQA, California Administrative Code, title 14, section 15037 provides:

(a) Project means the whole of an action, which has a potential for resulting in a physical change in the environment, directly or ultimately, that is any of the following:

(1) An activity directly undertaken by any public agency including but not limited to public works construction and related activities, . . .'

More specifically, subdivision (c) states:

The term 'project' refers to the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies. The term 'project' does not mean each separate governmental approval." (Emphasis added & some internal quotes omitted)

In *Burbank-Glendale-Pasadena Airport Authority v. Hensler* (1991) 233 Cal. App. 3d 577 the court stated (p. 592, emphasis added):

CEQA mandates that environmental considerations not become submerged by chopping a large project into many little ones, each with a potential impact on the environment, which cumulatively may have disastrous consequences. (City of Santee v. County of San Diego (1989) 214 Cal.App.3d 1438, 1452 [263 Cal.Rptr. 340].) CEQA attempts to avoid this result by defining the term "project" broadly. (Ibid.) A project under CEQA is the whole of an action which has a potential for resulting in a physical change in the environment, directly or ultimately, and includes the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies. (McQueen v. Board of Directors (1988) 202 Cal.App.3d 1136, 1143 [249 Cal.Rptr. 439].)" (Emphasis added)

Thus, the "project" is defined by the environmental documents, and cannot "become submerged by chopping a large project into many little ones, each with a potential impact on the environment, which cumulatively may have disastrous consequences." This is exactly what the City of Antioch is doing in this annexation process.

III. CONCLUSION.

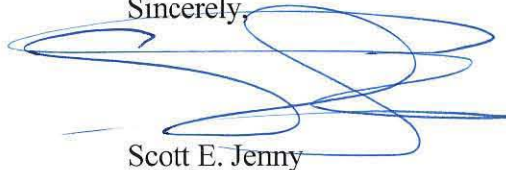
For the foregoing reasons, my clients object to the Northeast Antioch Reorganization Project and Mitigated Negative Declaration. Please make this letter a part of the administrative record, and please copy me with future actions taken on this Project. Please respond in writing to the above

LAFCO
May 20, 2013
Page Four

intertwined comments regarding the AG's opinion and its relevance to the Northeast Antioch Annexation protest proceedings and the proposed project Mitigated Negative Declaration.

Thank you.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line, positioned above the name Scott E. Jenny.

Scott E. Jenny

/SEJ

cc: Clients

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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(925) 335-1094 • (925) 335-1031 FAX



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh

Public Member

Federal Glover

County Member

Michael R. McGill

Special District Member

Don Tatzin

City Member

Dwight Meadows

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Mary N. Piepho

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Rob Schroder

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ALTERNATE MEMBERS

Candace Andersen

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Sharon Burke

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George H. Schmidt

Special District Member

May 28, 2013

Scott E. Jenny, Esq.
Jenny & Jenny, LLP, Attorneys at Law
Old City Hall Building
706 Main Street, Suite C
Martinez, CA 94553

Dear Mr. Jenny,

On May 22, 2013, Contra Costa LAFCO received your letter, the subject of which is "***Northeast Antioch Reorganization Mitigated Negative Declaration.***" Your letter raises questions regarding the LAFCO process (i.e., protest proceedings) and island annexations, and the appropriateness of the City of Antioch's Mitigated Negative Declaration.

In response to your questions and concerns, we offer the following.

1. You ask that LAFCO make your letter a part of the administrative record.

Response: We will do so and will provide copies to the Commissioners.

2. You ask that LAFCO copy you on future actions taken on the project.

Response: We will add you to the LAFCO agenda distribution list.

3. You request that LAFCO respond in writing to the intertwined comments regarding the June 2012 Attorney General's (AG) opinion regarding island annexations and its relevance to the Northeast Antioch protest proceedings, and the City's proposed Mitigated Negative Declaration (MND).

Response: Regarding the June 2012 AG opinion, in your letter, you share your interpretation of LAFCO law and the AG opinion regarding islands, and conclude that "the City and LAFCO must present an annexation application for the entire 678 acres..." and not split them into three separate areas.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 empowers a LAFCO to determine the boundaries of any proposals before it. Therefore, it is up to each

LAFCO to use its own discretion in making decisions related to annexations, including whether an unincorporated area is “substantially surrounded,” an “island,” an “entire island,” or “part of a larger island.” [See 95 Ops. Cal. Atty. Gen. 16, 20, 22, discussing LAFCO’s discretion in determining whether an area is “substantially surrounded” or an “island.”]

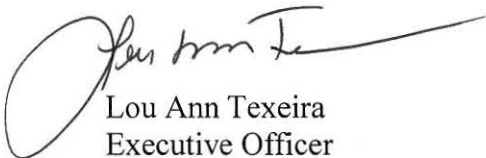
Pursuant to statute, case law and local LAFCO policies, the Commission may use Government Code section 56375.3 to facilitate the annexation to cities of small islands of unincorporated territory that are connected to larger unincorporated areas. The Commission will determine the applicability of the statute and local LAFCO policy at the time it considers an annexation proposal, along with the corresponding staff analysis and all available facts.

Regarding the appropriateness of the City’s MND, please note that in most annexation proposals, LAFCO is considered a "Responsible Agency", and the "Lead Agency" (in this case, the City of Antioch) prepares the CEQA document pursuant to the California Environmental Quality Act (CEQA).

As a Responsible Agency, LAFCO has more limited authority than a Lead Agency pursuant to Title 14. California Code of Regulations, Chapter 3: Guidelines for Implementation of the California Environmental Quality Act, including, but not limited to section 15096.

At the time the Commission considers an annexation proposal, it is asked to take action on the Lead Agency's CEQA document, and will do so once presented with a staff analysis and all available facts.

Sincerely,



Lou Ann Texeira
Executive Officer



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member

Dwight Meadows
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July 10, 2013

July 10, 2013
Agenda Item 9

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

Contra Costa County 2012-13 Grand Jury Report No. 1303
“The Role of the Local Agency Formation Commission”

Dear Members of the Commission:

On May 2, 2013, Contra Costa LAFCO received Contra Costa County Grand Jury Report No. 1303, *“The Role of the Local Agency Formation Commission: Is the Commission Realizing its Full Potential?”* (Attachment 1). The report looks at LAFCO’s role and authority focusing on Municipal Service Reviews and outcomes.

Contra Costa LAFCO is required to respond to Report No. 1303 by July 30, 2013. The California Government Code requires that the responding entity reply to each finding and recommendation. LAFCO staff has drafted a response (Attachment 2) for the Commission’s consideration.

RECOMMENDATION

It is recommended that the Commission approve the attached response to Grand Jury Report No. 1303, with any changes as desired; and direct LAFCO staff to forward the response prior to July 30, 2013.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachments:

1. Grand Jury Report No. 1303 *“The Role of the Local Agency Formation Commission: Is the Commission Realizing its Full Potential?”*
2. Draft Response to Grand Jury Report No. 1303



April 30, 2013

Federal Glover, Chair
LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553



Dear Mr. Glover:

Attached is a copy of **Grand Jury Report No. 1303, "The Role Of The Local Agency Formation Commission"** by the 2012-2013 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than **JUNE 30, 2013.**

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to clope2@contracosta.courts.ca.gov (Word document).

Sincerely,



Marc Hamaji, Foreperson
2012-2013 Contra Costa County Civil Grand Jury

**A REPORT BY
THE 2012-2013 CONTRA COSTA COUNTY GRAND JURY**
725 Court Street
Martinez, California 94553

REPORT 1303

**THE ROLE OF THE LOCAL AGENCY
FORMATION COMMISSION**

Is the Commission Realizing Its Full Potential?

APPROVED BY THE GRAND JURY:

Date: 4/18/2013



MARC HAMAJI
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 4/24/13



JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1303

The Role of the Local Agency Formation Commission

Is the Commission Realizing Its Full Potential?

TO: Contra Costa County Local Agency Formation Commission

SUMMARY

Local Agency Formation Commissions (LAFCOs) have been in existence since 1963 when the California Legislature created them. Originally designed to coordinate the timely development of local government agencies and their services while protecting agricultural and open-space resources, their duties were expanded in 1994 to encompass the authority to initiate proposals that include the dissolution or consolidation of special districts or the merging of existing subsidiary districts. In 2000, the responsibility to perform Municipal Services Reviews (MSRs) focused on municipal services was added. Portrayed by some as the “watchdog” of local governmental agencies, LAFCOs have broad authority which includes developing and determining Spheres of Influence (SOIs), and examining governance, fiscal accountability and sustainability, operational efficiency and effectiveness, and service delivery.

The Contra Costa County LAFCO is composed of two members of city councils, two county supervisors, two special district members chosen by their constituencies, and one public member chosen by the other members (see Gov. Code, section 56325). Members are appointed for four-year terms and can be reappointed. Commission members exercise independent judgment on behalf of the interests of residents, property owners, and the public as a whole. Any member appointed on behalf of local governments represents the interests of the public as a whole and not solely the interests of the appointing authority. In other words, commission members are expected to look beyond their particular constituency, focusing on the general public good within the County.

Based on a review of relevant authorizing legislation, existing LAFCO policies and procedures, Grand Jury reports and responses, and LAFCO actions taken, the Contra Costa County Civil Grand Jury recommends that the Contra Costa County LAFCO adopt a more assertive position utilizing its “watchdog” responsibilities. Further, the Grand Jury recommends that LAFCO develop policies and procedures permissible under the mandate given to it, to hold local agencies accountable in the multiple areas noted and not only take appropriate action to rectify discrepancies identified but to do so in a much more expeditious fashion than has been the case in the past.

METHODOLOGY

In preparing this report, the Contra Costa County Civil Grand Jury:

- Reviewed legislation relevant to the creation and operation of Local Agency Formation Commissions.
- Reviewed Contra Costa County Civil Grand Jury reports over the past decade related to the Contra Costa County LAFCO and responses to them.
- Reviewed selected Contra Costa County LAFCO MSR's.
- Reviewed written records for selected other LAFCOs in similar California counties.
- Interviewed selected county, city, local agency and special district staff as well as elected officials and Commission members.

BACKGROUND

Local Agency Formation Commissions (LAFCOs) were created by the California Legislature in 1963 with regulatory and planning responsibilities to coordinate the timely development of local government agencies and their services while protecting agricultural and open-space resources. Most notably, this included managing boundary lines by approving or disapproving proposals involving the formation, expansion, or dissolution of cities and special districts.

LAFCOs also conduct studies to provide data to inform members and the public about possible decisions and actions. These studies include preparing Municipal Services Reviews (MSRs) to evaluate the level and range of governmental services provided in the affected region in anticipation of establishing and updating cities and special districts' Spheres of Influence. MSRs were added to LAFCOs' mandate with the passage of the Cortese-Knox-Hertzberg Local Governments Reorganization Act of 2000. MSRs are comprehensive studies designed to better inform LAFCOs, local agencies and communities about the provision of municipal services.

MSRs attempt to capture and analyze information about the governance structures and efficiencies of service providers and to identify opportunities for greater coordination and cooperation between providers. An MSR is a prerequisite to a Sphere of Influence determination and may also lead a LAFCO to take other actions under its authority. Spheres of Influence designate the territory LAFCOs believe represent the affected agencies' appropriate future jurisdictions and service areas and must be reviewed every five years. Thus, MSRs must be completed every five years at a minimum. Contra Costa LAFCO is now preparing to begin the process of completing MSRs for all local agencies for which it is the principal LAFCO.

Government Code section 56430, (subdivision (a)) provides that the Commission shall, after completion and review of a local agency, "prepare a written statement of its determination with respect to each of the following:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within

or contiguous to the sphere of influence.

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

Section 56430 goes on to say that the Commission “may assess various alternatives or services for improving efficiency and affordability of infrastructure within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.” (Gov. Code, section 56430(b))

As of July 1, 1994, LAFCOs have the authority to initiate proposals that include the dissolution or consolidation of special districts or the merging of existing subsidiary districts. Prior to initiating such an action, LAFCOs must determine that the district’s customers would benefit from the proposal through adoption of a sphere of influence or other special study.

Contra Costa County LAFCO’s membership consists of two City Council members, two County Supervisors, two Special District members, and one Public member (Gov. Code, section 56325). Members are appointed by their respective constituencies, except for the Public member who is selected by the other Commission members. The Government Code also provides that all commission members “shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole”. (Gov. Code, section 56325.1) “Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority.” (Gov. Code, section 56325.1).

Each County in the State of California has a LAFCO as provided for by the Cortese-Knox-Hertzberg Local Governments Reorganization Act of 2000 (Gov. Code, section 56000 et seq.). A comprehensive list of local agencies for which the Contra Costa LAFCO is the principal LAFCO is shown as Appendix 1 for this report.

LAFCOs in general and the Contra Costa LAFCO in particular have a long history stretching back 50 years and had their role expanded over the years. As noted above, one significant expansion occurred in 1994 when LAFCOs were given authority to initiate proposals for the consolidation or dissolution of special districts, and another took place in 2000 when the state legislature added the requirement that MSRs be conducted.

The Contra Costa LAFCO was evidently somewhat slow implementing the MSR program. The

2001-2002 Contra Costa Civil Grand Jury issued Report No. 0209 titled "Narrow Focus of Contra Costa County Local Agency Formation Commission." In it the Grand Jury chided the local LAFCO for failing to initiate MSR's as provided for in the Local Government Reorganization Act of 2000, waiting instead for guidelines from the State Office of Planning and Research. This was the case despite LAFCO's recognition that as many as six revenue-producing special districts might have been in need of dissolution (November, 2001 LAFCO meeting minutes). In addition, some special districts (e.g. Contra Costa County Flood Control and Water Conservation District and the Resource Conservation District) had overlapping missions and responsibilities and duplicated one another's services. The report also pointed out that there continued to be three health care districts in Contra Costa County that no longer owned or operated the hospitals they had been established to oversee. A number of recommendations were made, one of which encouraged LAFCO to initiate studies, and another asked it to initiate proposals for the dissolution or consolidation of special districts that were redundant, duplicated services or whose functions were no longer necessary. The 2001-2002 Grand Jury recommended that LAFCO exercise authority which it clearly had.

In fact, there is substantial historical evidence that the local LAFCO needed to be encouraged to address local agency deficiencies. The 2002-2003 Contra Costa Civil Grand Jury issued Report No. 0309 titled "Where Have All The Hospitals Gone?" In the report, the Jury questioned the continued existence of Mt. Diablo Health Care District, Los Medanos Community Healthcare District, and West County Health Care District since the community hospitals that the districts once owned and operated were now overseen by others. Although the Healthcare Districts had lost their original responsibilities, they remained in existence at taxpayer expense. The 2007-2008 Contra Costa Civil Grand Jury, in Report No. 0806 ("Should the Mt. Diablo Health Care District Be Dissolved?"), recommended that the District be dissolved and submit a plan for same to LAFCO as part of its 2007 MSR. The District's response was that the recommendation was neither warranted nor reasonable. On August 8, 2012, for all intents and purposes a decade after the issue was first raised, action was taken by LAFCO to reorganize the Mt. Diablo Health Care District.

The 2009-2010 Contra Costa Civil Grand Jury issued Report No. 1009 ("'Lost' Medanos Community Health Care District") in which it recommended this district be dissolved for much the same reasons it had for Mt. Diablo Healthcare District. The District's response to this recommendation was to "maintain the status quo" and LAFCO concurred, saying the recommendation would be implemented during the next LAFCO Municipal Services Review of Public Healthcare Services in 2012-2013.

The Grand Jury has also raised questions about the continuation of Rollingwood-Wilart Park Recreation and Park District. In its 2012 report, "ROLLINGWOOD-WILART PARK RECREATION AND PARK DISTRICT, Who's Minding the Store?", the Jury recommended the District be dissolved given its inability to generate community interest in Board membership, its inability to generate facility rentals, and its failure to adequately perform basic management activities. Discussions are now pending with the City of San Pablo regarding the possibility of a reorganization/annexation of the Rollingwood community to the City.

To its credit, the Contra Costa County LAFCO has completed numerous MSR's and updated a multitude of SOI's since May 10, 2006, when the Town of Discovery Bay Community Services

District SOI and MSR were adopted. But as the Grand Jury learned, collecting and processing information without drawing the necessary (and authorized) conclusions from it leaves a significant gap with regard to exercising necessary authority.

The point of view was expressed several times to the Grand Jury that LAFCO's authority to force action is limited. Although it can reduce a district's SOI to 0 to get attention, it cannot tell a district how to conduct its business. But clearly, as shown in Section 56430 quoted above, it can collect and publicize data on a variety of elements, including agency financial capacity, opportunities for shared facilities, accountability for community service needs, and **"any other matter related to effective or efficient service delivery, as required by commission policy."** (emphasis added, Gov. Code, section 56430 (a) (7)) As several interviewees said, legislation dictates policies as enumerated above, but individual LAFCOs determine how to accomplish them.

Several of those interviewed likened LAFCO to the Civil Grand Jury. The Grand Jury cannot force an action, it can only study, collect, assess and recommend. But by persistence, follow-up, and publicity, much can be achieved, and LAFCO could do much more.

FINDINGS

1. Policy is set by the California State Legislature, but the implementation process is up to the local LAFCO. Policies to implement state mandates are a matter of local jurisdiction.
2. LAFCOs' authority to enforce its recommendations is limited, although it can take action using SOI as a tool for disciplining wayward local agencies. LAFCO has not realized the full potential of its ability to educate and influence the public.
3. LAFCO members can speak out individually and publicly, and, except for the Public Representative, are appointed by constituencies to which they can return with concerns.
4. Instances exist, some quoted above, which represent failures on LAFCO's part to take actions that were recommended by the Grand Jury, or which took lengthy amounts of time to be brought to closure.
5. Should it choose to do so, LAFCO can become more assertive under existing state law, by following up more rapidly on concerns raised by its studies or those conducted by other agencies.
6. Given the existing five-year MSR cycle, LAFCO is simply unable to respond immediately or nimbly to issues within local agencies as they arise. The five-year MSR cycle also precludes timely follow up and monitoring with regard to concerns raised during reviews.
7. Conducting all MSRs on an equal basis and all at once every five years means that local agencies with potentially severe ongoing or new significant problems may not get a timely and in-depth review.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Contra Costa County LAFCO become much more proactive in its review and evaluation of agencies within its purview, pursuant to Government Code section 56430.
2. LAFCO assess performance of its agencies beginning with their mission statements, but also determining whether or not they have in place measurable goals for service delivery, fiscal sustainability, and other Section 56430 elements related to successful performance. Without these goals performance cannot be accurately measured.
3. LAFCO develop a staggered MSR process which would spread the workload more evenly and give LAFCO a more solid foundation permitting more in-depth MSRs targeting, in particular, those local agencies which have demonstrated the need for greater and more frequent review.
4. LAFCO do much more than it currently does with regard to reviewing and commenting on local agency budgets, particularly for those agencies that lack a fiscal oversight entity.
5. LAFCO institute a program of regularly reviewing local agency annual financial statements, auditor reports and other key regulatory documents or reports including annual updates on performance so that highlighted indicators are regularly tracked and evaluated rather than during the five-year cycle.
6. LAFCO propose corrections for the deficiencies found with regard to the elements noted in Section 56430, with specific time lines for correcting them.
7. The time lines for deficiency corrections be structured in such a way as to encourage regular and frequent reports, particularly for those agencies with egregious deficiencies.
8. LAFCO provide to each agency governing board a full report of the results of its review including proposed improvements, and these reports, as well as follow-up evaluations and reports, are made available to the agency's constituency.

REQUIRED RESPONSES

Findings

Local Agency Formation Commission Nos. 1-7.

Recommendations

Local Agency Formation Commission Nos. 1-8

APPENDIX 1

Contra Costa County LAFCO Directory of Local Agencies (for which Contra Costa is the Principal LAFCO)

County of Contra Costa

Cities and Towns

- City of Antioch
- City of Brentwood
- City of Clayton
- City of Concord
- Town of Danville
- City of El Cerrito
- City of Hercules
- City of Lafayette
- City of Martinez
- Town of Moraga
- City of Oakley
- City of Orinda
- City of Pinole
- City of Pittsburg
- City of Pleasant Hill
- City of Richmond
- City of San Pablo
- City of San Ramon
- City of Walnut Creek

Cemetery Districts

- Alamo-Lafayette Cemetery District
- Byron-Brentwood-Knighten Union Cemetery District

Community Service Districts

- Crockett Community Service District
- Diablo Community Service District
- Town of Discovery Bay Community Service District
- Kensington Police Protection and Community Services District
- Knighten Town Community Services District

County Service Areas

- County Service Area D-2
- County Service Area EM-1
- County Service Area L-100
- County Service Area LIB-2
- County Service Area LIB-10
- County Service Area LIB-12
- County Service Area LIB-13
- County Service Area M-1
- County Service Area M-16
- County Service Area M-17
- County Service Area M-20
- County Service Area M-23
- County Service Area M-28
- County Service Area M-29
- County Service Area M-30
- County Service Area M-31
- County Service Area P-2
- County Service Area P-5
- County Service Area P-6
- County Service Area R-4
- County Service Area R-7
- County Service Area R-9
- County Service Area R-10
- County Service Area RD-4
- County Service Area T-1

Fire Protection Districts

- Contra Costa County Fire Protection District
- Crockett-Carquinez Fire Protection District
- East Contra Costa Fire Protection District
- Kensington Fire Protection District
- Moraga-Orinda Fire Protection District
- Rodeo-Hercules Fire Protection District
- San Ramon Valley Fire Protection District

Health Care Districts

- Los Medanos Community Healthcare District
- Mt. Diablo Healthcare District
- West Contra Costa Healthcare District

Irrigation Districts

- East Contra Costa Irrigation District

Mosquito and Vector Control Districts

- Contra Costa Mosquito and Vector Control District

Municipal Improvement Districts

- Bethel Island Municipal Improvement District

Reclamation Districts

- Reclamation District 799
- Reclamation District 800
- Reclamation District 830
- Reclamation District 2024
- Reclamation District 2025
- Reclamation District 2026
- Reclamation District 2059
- Reclamation District 2065
- Reclamation District 2090
- Reclamation District 2117
- Reclamation District 2121
- Reclamation District 2122
- Reclamation District 2137

Parks and Recreation Districts

- Ambrose Parks and Recreation District

- Green Valley Recreation and Park District
- Pleasant Hill Recreation and Park District
- Rollingwood-Wilart Recreation and Park District

Resource Conservation Districts

- Contra Costa Resource Conservation District

Sanitary Districts

- Byron Sanitary District
- Central Costa County Sanitary District
- County Sanitation District 6
- Delta Diablo Sanitation District
- Ironhouse Sanitary District
- Mt. View Sanitary District
- Rodeo Sanitary District
- Sege Sanitary District
- West County Wastewater District

Water Districts

- Contra Costa Water District
- Diablo Water District



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July 10, 2013

Marc Hamaji, Foreperson
 2012-13 Contra Costa County Civil Grand Jury
 725 Court Street
 P.O. Box 431
 Martinez, CA 94553-0091

Dear Mr. Hamaji:

On May 2, 2013, the Contra Costa Local Agency Formation Commission (LAFCO) received Grand Jury Report No. 1303, entitled "*The Role of the Local Agency Formation Commission: Is the Commission Realizing its Full Potential?*"

On July 10, the Commission reviewed the draft response to the Grand Jury, provided input and directed LAFCO staff to submit a response by the July 30th deadline.

We hereby submit the response below which addresses the findings and recommendations contained in Grand Jury Report No. 1303.

FINDINGS

1. Policy is set by the California State Legislature, but the implementation process is up to the local LAFCO. Policies to implement state mandates are a matter of local jurisdiction.

Response: *The respondent agrees with the finding. Contra Costa LAFCO has adopted its own local policies and procedures to implement broader State law based on local conditions.*

2. LAFCO's authority to enforce its recommendations is limited, although it can take action using SOI as a tool for disciplining wayward local agencies. LAFCO has not realized the full potential of its ability to educate and influence the public.

Response: *The respondent partially disagrees with the finding. We agree that LAFCO's authority to enforce its recommendations contained in an MSR is limited. However, LAFCO does not adopt SOIs as a tool for disciplining local agencies. The SOI is essentially a tool for the local agency and LAFCO to designate an area for future service.*

Regarding LAFCO's ability to educate and influence the public, LAFCO works closely with local agencies and others in the course of an MSR. Local agencies and other interested parties are provided notices regarding the availability of MSR reports and LAFCO hearings. All LAFCO MSRs and meeting agenda items are available on the Contra Costa LAFCO website at www.contracostalafco.org. Following completion of an MSR and SOI update, local agencies are provided a personalized letter, a copy of the LAFCO resolutions, and the SOI update and map.

Contra Costa LAFCO participates in numerous opportunities, both locally and at the state level through its involvement in CALAFCO, to educate the public regarding LAFCO's role and responsibilities. These include, but are not limited to, speaking to community and business groups, attending city council and special district board meetings, attending community meetings, broad notification of LAFCO meetings, projects and programs, and providing an up-to-date and comprehensive LAFCO website. Contra Costa LAFCO will continue to promote public participation and education.

3. LAFCO members can speak out individually and publicly, and, except for the Public Representative, are appointed by constituencies to which they can return with concerns.

Response: *The respondent agrees with the finding. Commissioners can return to their appointing authorities, as well as their constituents, with their concerns. Appointing authorities include the County Board of Supervisors (County members), City Selection Committee (City members), Independent Special District Selection Committee (Special District members), LAFCO Commissioners (Public members). The LAFCO Public members are appointed by the Commission and appointment requires an affirmative vote from at least one County, one City and one Special District member.*

While serving on LAFCO, all Commissioners must exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of LAFCO. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. (Gov. Code §56325.1) Contra Costa LAFCO has local policies which support the statute and speak to Commission representation.

4. Instances exist, some quoted above, which represent failures on LAFCO's part to take actions that were recommended by the Grand Jury, or which took lengthy amounts of time to be brought to closure.

Response: *The respondent disagrees with the finding. The Grand Jury report suggests that Contra Costa LAFCO be more assertive in dissolving districts, and specifically references prior Grand Jury recommendations to dissolve certain districts (e.g., Los Medanos Community Healthcare District, Rollingwood-Wilart Park Recreation & Park District).*

Only under limited circumstances can LAFCO initiate its own proposals (i.e., district consolidations, mergers, dissolutions, establishment of a subsidiary district). Pursuant to LAFCO law - Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) - LAFCO initiated proposals must be consistent with a recommendation or conclusion of an SOI

study, special study or MSR. LAFCO initiated proposals are subject to the standard LAFCO proceedings which include an initial hearing, a protest hearing, and potentially, an election. Some of the barriers to LAFCO-initiated dissolutions are inherent in the law itself. The Legislature tempered LAFCO's authority in carrying out certain LAFCO initiated proposals by setting the threshold for vetoing a LAFCO initiated proposal at 10 percent versus 25 percent. In 2012, legislation was approved which raised the threshold to 50 percent for certain types of proposals, including district dissolutions.

Dissolution of a special district, and other jurisdictional changes, are serious matters that involve considerable cost/benefit analysis as well as evaluation of viable alternatives. The legislature has not mandated when a dissolution must occur, nor does the law provide specific criteria under which a dissolution should be approved. These are decisions that the legislature has left to the discretion of each local LAFCO. In considering a dissolution, LAFCO evaluates numerous factors, and takes into account all viewpoints, including those provided by the Grand Jury and other members of the public, affected local agencies, and various stakeholders who have a vested interest in the outcome. In approving a dissolution, LAFCO must make specific findings relating to public services, community service needs and financial resources. LAFCO decisions are intended to reflect both legislative responsibilities and the public good.

Regarding the specific agencies referenced in the Grand Jury report, in 2007 LAFCO prepared an MSR covering health care districts, including the Los Medanos Community Healthcare District (LMCHCD). The MSR noted that LMCHCD was operating efficiently and working cooperatively with Contra Costa Health Services (CCHS) and other healthcare providers on common issues. The District had successfully resolved a number of financial issues and built strong, collaborative relationships with CCHS, other service providers and community organizations. These relationships served to leverage the assets of the Pittsburg Health Center and Bay Point Health Center in providing direct healthcare services that are needed within the community. The MSR found that the LMCHCD was engaged in activities that support the purpose for which it was formed, and that the District was spending 74 percent of its budgeted revenue on health programs and retiring debt. The MSR report identified several SOI options for LMCHCD, including maintaining the status quo, consolidation, merger and dissolution. In accordance with the findings and recommendations of the MSR, the Commission retained the District's existing SOI, thereby maintaining the status quo. Since the MSR was prepared, LMCHCD has provided LAFCO with periodic updates, which show that the District has an active grant program and current Strategic Plan which provide for programs and activities to support health and wellness within the LMCHCD community.

The Grand Jury report also referenced the Rollingwood-Wilart Park Recreation & Park District (RWPR&PD). In 2010, LAFCO completed a countywide Park & Recreation Services MSR, which covered the RWPR&PD. The MSR report identified a number of fiscal and governance issues and required a status report from the District in one year. The MSR report identified two SOI/governance options for the District: establish a coterminous SOI, thereby retaining the status quo, or adopt a provisional or zero SOI signaling a future change of organization or reorganization. LAFCO deferred the SOI update for the RWPR&PD and requested a status report. In 2011, the District provided LAFCO with a progress report indicating that a number of the concerns identified in the MSR had been addressed (i.e., board vacancies, capital planning)

while other issues had not been addressed (e.g., establishing a website, financial reporting). As noted in the Grand Jury report, LAFCO continues to explore feasible governance options, including those involving LAFCO (e.g., annexation to the City of San Pablo, dissolution, merger), as well as those which do not involve LAFCO (e.g., MOU, JPA, etc.).

5. Should it choose to do so, LAFCO can become more assertive under existing State law, by following up more rapidly on concerns raised by its studies or those conducted by other agencies.

Response: *The respondent partially disagrees with the finding. There is no provision in the CKH that mandates following up with local agencies on concerns raised by LAFCO studies or studies conducted by other agencies. For this reason, the LAFCO budget does not include resources to do so. However, while it is not a provision of the CKH, LAFCO works with local agencies to the extent possible to assist them in implementing the MSR recommendations and address the concerns raised in the LAFCO MSRs.*

6. Given the existing five-year MSR cycle, LAFCO is simply unable to respond immediately or nimbly to issues within local agencies as they arise. The five-year MSR cycle also precludes timely follow up and monitoring with regard to concerns raised during reviews.

Response: *The respondent partially disagrees with the finding.*

Regarding the five-year cycle, LAFCO shall review and update the SOIs for local agencies every five years, as necessary. In conjunction with SOI updates, LAFCO shall conduct an MSR. If the Commission deems that SOIs updates are not necessary, then the MSR is not prepared. Conversely, if a situation merits an MSR prior to the 5-year cycle, the Commission has the discretion to direct staff to prepare an MSR. In doing so, consideration must be given to the Commission's annual work program and budget, which is funded by the County, cities and special districts.

7. Conducting all MSRs on an equal basis and all at once every five years means that local agencies with potentially severe ongoing or new significant problems may not get a timely and in-depth review.

Response: *The respondent agrees with the finding; however, this is not the practice of Contra Costa LAFCO. Contra Costa LAFCO embarked on a comprehensive MSR program in 2006 and, in April 2013, completed its inaugural MSR cycle and the review of all 19 cities and 75 special districts.*

RECOMMENDATIONS

1. The Contra Costa LAFCO become much more proactive in its review and evaluation of agencies within its purview, pursuant to Government Code section 56430.

Response: *The recommendation has been implemented. Contra Costa LAFCO has been diligent in its review of local agencies and in following up, to the extent possible, on issues identified in the MSR.*

2. LAFCO assess performance of its agencies beginning with their mission statements, but also determining whether or not they have in place measurable goals for service delivery, fiscal sustainability, and other Section 56430 elements related to successful performance. Without these goals performance cannot be accurately measured.

Response: *This recommendation has been implemented. Contra Costa LAFCO conducts its SOI updates and MSRs in accordance with LAFCO law. The MSRs have identified performance measurement and fiscal sustainability issues. LAFCO cannot initiate significant change in service and funding models, as these must come directly from the service providers. However, LAFCO continues to provide a forum for discussion and ideas. Future MSRs may contain statements regarding whether or not the agencies have in place measurable goals for service delivery.*

3. LAFCO develop a staggered MSR process which would spread the workload more evenly and give LAFCO a more solid foundation permitting more in-depth MSRs targeting, in particular, those local agencies which have demonstrated the need for greater and more frequent reviews.

Response: *The recommendation has been implemented. Contra Costa LAFCO has implemented a staggered MSR process which has resulted in the completion of MSRs covering all 19 cities and 75 special districts between 2006 and 2013.*

4. LAFCO do much more than it currently does with regard to reviewing and commenting on local agency budgets, particularly for those agencies that lack a fiscal oversight entity.

Response: *The recommendation will not be implemented because it is not warranted or reasonable. In the course of preparing MSRs, LAFCO includes significant information regarding local agencies' finances. Local agencies are empowered to develop and monitor their own budgets. LAFCO has neither the statutory authority nor the resources to review and comment regularly on budgets of the 19 cities and 75 special districts in Contra Costa County. Special districts are required to submit their budgets to the State Controller and the County Controller.*

5. LAFCO institute a program of regularly reviewing local agency annual financial statements, audit reports and other key regulatory documents or reports including annual updates on performance so that highlighted indicators are regularly tracked and evaluated during the five-year cycle.

Response: *The recommendation will not be implemented because it is not warranted or reasonable. When preparing an MSR, LAFCO typically reviews financial statements, audit reports and other key documents and reports. However, LAFCO has neither the statutory authority nor the resources to regularly review and comment on such reports.*

6. LAFCO propose corrections for the deficiencies found with regard to elements noted in Section 56430, with specific timelines for correcting them.

Response: *The recommendation has been implemented. The MSRs contain determinations, recommendations, and timelines, when appropriate, for addressing issues under LAFCO's purview pursuant to Section 56430.*

7. The timelines for deficiency corrections be structured in a way as to encourage regular and frequent reports, particularly for those agencies with egregious deficiencies.

Response: *The recommendation has been implemented. The MSRs contain determinations, recommendations, and timelines, when appropriate, for addressing agency deficiencies which are under LAFCO's purview pursuant to Section 56430.*

8. LAFCO provide to each agency governing body a full report of the result of its review including potential proposed improvements, and these reports, as well as follow-up evaluations and reports, are made available to the agency's constituency.

Response: *The recommendation has been implemented. LAFCO works closely with local agencies in the course of an MSR. Local agencies and other interested parties are provided notices regarding the availability of MSR reports and LAFCO hearings. All LAFCO MSRs and meeting agenda items are available on the LAFCO website at www.contracostalafco.org. Following completion of an MSR and SOI update, local agencies are provided a personalized letter, copies of the LAFCO resolutions, and the SOI update and map.*

Please contact the LAFCO office if you have any questions or if we can be of further assistance.

Sincerely,

Federal Glover
Chair, Contra Costa LAFCO



Lou Ann Texeira
 Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member

Dwight Meadows
Special District Member
Mary N. Piepho
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Rob Schroder
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Special District Member

July 10, 2013

July 10, 2013
 Agenda Item 10

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

**Contra Costa County 2012-13 Grand Jury Report No. 1306
 “County EMS and Fire Services: A Step in the Right Direction”**

Dear Members of the Commission:

On June 3, 2013, Contra Costa LAFCO received Contra Costa County Grand Jury Report No. 1306, “*County EMS and Fire Services: A Step in the Right Direction – An Acknowledgement of Real Problem – The Money and the Model*” (Attachment 1). The report looks at Contra Costa County’s efforts to study alternative EMS and fire service delivery models, and the potential for LAFCO to conduct a second round Municipal Service Review covering these services.

Contra Costa LAFCO is required to respond to Report No. 1306 by August 29, 2013. The Government Code requires that the responding entity reply to each finding and recommendation. LAFCO staff has drafted a response (Attachment 2) for the Commission’s consideration.

RECOMMENDATION

It is recommended that the Commission approve the attached response to Grand Jury Report No. 1306, with any changes as desired; and direct LAFCO staff to forward the response prior to August 29, 2013.

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

c: Distribution

Attachments:

1. Grand Jury Report No. 1306 “*County EMS and Fire Services: A Step in the Right Direction?*”
2. Draft Response to Grand Jury Report No. 1306



May 29, 2013

Federal Glover, Chairman
Contra Costa County Local Agency Formation Commission
651 Pine Street
Martinez, CA 94553

Dear Chairman Glover:

Attached is a copy of **Grand Jury Report No. 1306, "County EMS and Fire Services: A Step In The Right Direction"** by the 2012-2013 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than **AUGUST 29, 2013.**

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to clope2@contracosta.courts.ca.gov (Word document).

Sincerely,



Marc Hamaji, Foreperson
2012-2013 Contra Costa County Civil Grand Jury

**A REPORT BY
THE 2012-2013 CONTRA COSTA COUNTY GRAND JURY**

725 Court Street
Martinez, California 94553




Report 1306

COUNTY EMS and FIRE SERVICES: A STEP IN THE RIGHT DIRECTION

An Acknowledgment of the Real Problem--The Money and the Model

APPROVED BY THE GRAND JURY:

Date: 5/21/2013



MARC HAMAJI
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 5/29/13



JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1306

COUNTY EMS and FIRE SERVICES: A STEP IN THE RIGHT DIRECTION

An Acknowledgment of the Real Problem--The Money and the Model

TO: Contra Costa County Fire Protection Districts and Agencies
Contra Costa County Board of Supervisors
Contra Costa County Local Agency Formation Commission (LAFCO)

SUMMARY

Confronted with an unwillingness on the part of citizens to vote for ballot initiatives to increase funding to support current fire protection and emergency response service models, the Board of Supervisors of Contra Costa County has taken an important step in identifying new, alternative delivery models that potentially hold the promise, if implemented, for greatly improved efficiency and better alignment with budgetary constraints.

By hiring an independent consultant, Fitch & Associates, LLC (Fitch), to review current practices, evaluate current needs, and make recommendations on how best to provide a realistic level of service for citizens, the Board acknowledged the need for a better model. The results of the study may have implications for fire districts throughout the County.

It is encouraging that the County has requested, and the consultant has promised, that a “greenfield” or “whiteboard” approach will be taken, one that allows a thorough review of the status quo and consideration of new and innovative ways to provide acceptable service in a cost-effective manner.

Much work will remain to be done after the report has been completed near the end of the year. The timing appears to be excellent for a long-overdue, collaborative effort between fire districts and the Local Agency Formation Commission (LAFCO). Cooperation, commitment, and leadership from fire boards, LAFCO, and the Board of Supervisors will be critical to move the process forward and address the concerns of all interested parties.

METHODOLOGY

1. Review of Grand Jury Report #1202, “Fire Protection – What Can You Afford, *It’s Your Choice*”, and the responses to its findings and recommendations.

http://www.cc-courts.org/_data/n_0038/resources/live/rpt1202r1.pdf

2. Review of Grand Jury Report #1211, "Contra Costa County Fire Protection and Emergency Response Services, *Leveraging Combined Strengths to Address Individual Weaknesses*", and the responses to its findings and recommendations.

http://www.cc-courts.org/_data/n_0038/resources/live/rpt1211r1.pdf

3. Discussion of the fire and emergency medical services issues and the desired benefits of the commissioned independent consultant reports with Contra Costa County officials.
4. Discussion of the fire and emergency medical services issues and planned LAFCO activities with several LAFCO Commissioners.
5. Review of project proposals from the independent consultant who will conduct the studies.
6. Review of recommendations approved by the Board of Supervisors related to conducting the studies.
7. Review of the Purchase Orders issued to the consultant for the studies.

BACKGROUND

Fire protection and emergency response service providers in Contra Costa County continue to be pressured to align funds available, which have been severely depleted, with the costs required to operate at levels consistent with citizen expectations. Some agencies are now on the verge of insolvency, even as they make equipment and personnel reductions. Others are rapidly depleting their reserves, hoping that an economic recovery and increased real estate values will come soon enough for them to avoid similar situations.

From the beginning of the recession, fire districts tried to adjust operations in traditional ways by reducing staff and the number of active locations. They also called for scheduled pay increases to be postponed or waived and requested relief from employee healthcare and pension contributions. While these cost reductions contributed to narrowing the gap between operating costs and available funding, a major source of potential savings was not pursued-- implementation of new service models. The fire districts in the most distress, instead, chose to ask for more money.

In 2012, voters in two fire protection districts, the East Contra Costa County Fire Protection District and the Contra Costa County Fire Protection District, failed to approve ballot initiatives designed to generate supplementary funding to support the continuation of existing service models. The result of each of those ballot initiatives signified the unwillingness of citizens to provide more money for fire and emergency response services.

The 2011-2012 Contra Costa County Grand Jury wrote two reports during its term of empanelment discussing the challenges facing the East Contra Costa District (Report #1202), in particular, and in general, all fire districts within the County (Report #1211). Both reports highlighted a need for fire agencies to examine alternative structures and operating models that, if implemented, might optimize the use of available funds and better align available resources, personnel and equipment, with the realistic expectations of service levels of citizens. Supporting this position, Report #1211 stated the following as one of its findings:

“Other California fire agencies have successfully implemented innovative cost reduction models and strategies, often by consolidating fire agencies, after engaging external consultants with industry expertise.”

Furthermore, Report #1211 made the following recommendation:

“All fire agencies and the County should conduct, on an individual agency and county-wide basis, evaluations of alternative service models utilizing independent consultants with a history of analyzing fire agency challenges.”

Following the ballot defeat of their funding initiative in the November, 2012 election, the Board of Supervisors of Contra Costa County authorized the engagement of an independent consultant to (a) review and evaluate the current fire and emergency response service practices of the Contra Costa County Fire Protection District and (b) make recommendations regarding service model changes that, if implemented, could provide the foundation for cost-effective, efficient, and safe delivery of those services to citizens for the foreseeable future. The project has been put under the direction of the County Administrator, David Twa, and is expected to result in a report to the Board by the end of 2013.

Fitch was contracted by the Board, at a cost of approximately \$400,000, to “determine the optimal fire and first response coverage that can be provided within the County Fire Protection District’s defined fiscal limitations.” They will do this through two separate studies-- one focusing on fire protection and one on response for medical emergencies.

In a statement in its proposal echoing key points of Report #1211, Fitch states:

“Jurisdictions throughout the country, and especially in California, are facing a new reality in the provision of public services. Fiscal resources are unable to sustain the traditional methods and scope of providing services to the community. Concurrently the taxpayers are unwilling to increase their contributions to fund the status quo, let alone increased service levels.”

“In this environment, it is incumbent on government to explore options for the delivery of essential services.”

Report #1211 challenged fire districts to move “outside the box” in their search for new ways to provide services. One County official recently described the current approach to providing fire and emergency response services as “using a 19th century service model to try and meet 21st century service needs.” In their study proposal for emergency response services, Fitch also will examine whether the status quo provides optimal service and states:

“Fitch & Associates proposes to conduct an evaluation of the Contra Costa County EMS system utilizing a “greenfield or whiteboard” approach. These methodologies begin with no preconceptions that the current system is doing what it should be doing and in the manner that produces the greatest benefit... This structured process allows questioning of the status quo; including services and the manner they are delivered, performance requirements, roles, goals, and visions for the future. All options are available for consideration, and it allows for potential fundamental changes in funding, structure, and activities.”

Report #1211 included the following recommendation:

“Fire agencies, LAFCO, and the County should find ways to cooperate with one another in the evaluation and adoption of alternative service delivery models.”

Fitch, in its proposal, in alignment with the Grand Jury’s position, has stated:

“Developing an implementable model requires a highly collaborative approach that engages system stakeholders.”

Coincidentally, while the study is taking place, the Contra Costa County Local Agency Formation Commission (LAFCO), as part of its ongoing responsibilities, will be scheduling Municipal Service Reviews (MSRs) of all fire and emergency medical service providers in the County. These MSRs are intended to include review, analysis, and evaluation of the governance structures of those providers, the relative efficiency of how they conduct their operations, and the quality of the delivery of those services. One of the objectives of the MSRs is to identify opportunities for greater coordination and cooperation among service providers.

The timing of the Board of Supervisors’ commissioning of independent studies and LAFCO’s MSR activities may create an environment in which a meaningful solution to the ongoing fiscal problems associated with providing fire and emergency response services can be identified, a solution that includes changes to the delivery model. However, this would only be a first step in the process. It will then be up to the fire boards for the districts in the County to take note of three other Grand Jury observations included in Report #1211:

“In the long term, approaching common problems at a County-wide regional level could offer additional solutions.”

“Creating and pursuing a County-wide strategy will require extraordinary leadership and cooperation at both the County and individual district levels.”

“They should leverage their collective strengths to identify and implement the best way to address their collective weaknesses.”

FINDINGS

1. The Board of Supervisors has taken a step in a process to identify and implement a more efficient and cost-effective fire service and emergency medical response model by commissioning studies to review and analyze current fire protection and emergency medical response practices of the County Fire Protection District and to make recommendations of alternative approaches.
2. The timing of the commissioned studies, which coincide with LAFCO’s plan to undertake MSRs of the fire districts in the County, presents an excellent opportunity to develop improved fire protection and emergency medical response operations in the districts and throughout the County.
3. Cooperation between the County and fire district governing bodies is critical to successfully transition to new models of providing fire protection and emergency medical response services.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Contra Costa County Board of Supervisors consider sharing the written studies prepared by Fitch and Associates with all other fire protection districts in the County and that the County and fire districts consider using those studies as the basis for future discussions exploring opportunities to leverage strengths and optimize the delivery of services throughout the County.
2. The Contra Costa County Board of Supervisors consider sharing studies by Fitch and Associates with LAFCO and LAFCO consider postponing MSR's for fire districts until the studies are available and can be used to provide updated context for LAFCO's reviews and analyses, provided that LAFCO does not delay issuing any such MSR beyond the time that it is required to do so by applicable California statute.
3. No fire districts consider any revenue-generation ballot initiatives until results of the studies have been reviewed and evaluated and plans have been developed by each district to implement any agreed-upon "best practices" that may be included in those studies.
4. LAFCO consider identifying funds to issue an annual, written status report regarding efficiency improvement and model optimization activities within County fire districts.

REQUIRED RESPONSES

	<u>Findings</u>	<u>Recommendations</u>
Contra Costa County Board of Supervisors	1, 2, 3	1, 2, 3
LAFCO	2, 3	2, 4
City Of El Cerrito Fire Department	1, 2, 3	3
City of Pinole Fire Department	1, 2, 3	3
City of Richmond Fire Department	1, 2, 3	3
Contra Costa County Fire Protection District	1, 2, 3	3
Crockett-Carquinez Fire Protection District	1, 2, 3	3
East Contra Costa Fire Protection District	1, 2, 3	3
Kensington Fire Protection District	1, 2, 3	3
Moraga-Orinda Fire District	1, 2, 3	3
Rodeo-Hercules Fire Protection District	1, 2, 3	3
San Ramon Valley Fire Protection District	1, 2, 3	3

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor • Martinez, CA 94553-1229

e-mail: LTexte@lafco.cccounty.us

(925) 335-1094 • (925) 335-1031 FAX



Lou Ann Teixeira
Executive Officer

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Michael R. McGill
Special District Member

Don Tatzin
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Sharon Burke
Public Member

Tom Butt
City Member

George H. Schmidt
Special District Member

July 10, 2013

Marc Hamaji, Foreperson
2012-13 Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Dear Mr. Hamaji:

On June 3, 2013, the Contra Costa Local Agency Formation Commission (LAFCO) received Grand Jury Report No. 1306, entitled "*County EMS and Fire Services: A Step in the Right Direction.*"

On July 10, the Commission reviewed the draft response to the Grand Jury, provided input and directed LAFCO staff to submit a response by the August 29th deadline.

We hereby submit the response below which addresses the findings and recommendations contained in Grand Jury Report No. 1306.

FINDINGS

2. The timing of the commissioned studies, which coincide with LAFCO's plan to undertake MSRs of fire districts in the County, presents an excellent opportunity to develop improved fire protection and emergency medical response operations in the districts and throughout the County.

Response: *The respondent agrees with the finding. At its Strategic Planning Session on April 15, 2013, the Commission discussed the potential for preparing a Municipal Service Review (MSR) of EMS and fire services following the County studies. A LAFCO MSR will cover services provided by the County, districts, cities and other agencies as determined by LAFCO.*

3. Cooperation between the County and fire district governing bodies is critical to successfully transition to new models of providing fire protection and emergency medical services.

Response: *The respondent agrees with the finding. Special districts are part of a larger system of EMS and fire service automatic and mutual aid providers in Contra Costa County, which also*

includes regional, State and private service providers. Cooperation among other agencies may also be needed to support a change or transition in services.

The County studies may identify alternative service models that do not require LAFCO involvement (e.g., functional consolidation, MOUs, JPAs, etc.). As well, the County studies may identify service options that will require LAFCO involvement (e.g., annexation, consolidation, dissolution, etc.).

Contra Costa LAFCO stands ready to assist and cooperate.

RECOMMENDATIONS

2. The Contra Costa County Board of Supervisors consider sharing studies by Fitch and Associates with LAFCO, and LAFCO consider postponing MSR for fire districts until the studies are available and can be used to provide updated context for LAFCO's reviews and analysis, provided that LAFCO does not delay issuing any such MSR beyond the time that it is required to do so by applicable California statute.

Response: *The recommendation requires further analysis. At its Strategic Planning Session in April 2013, the Commission discussed the potential for preparing an MSR covering EMS and fire services. The Commission also discussed the possible timing of such review following completion of the County's EMS and fire studies.*

Pursuant to Government Code section 56425, "on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence (SOI)." Government Code section 56430 provides that "in order to prepare and to update SOIs in accordance with Section 56425, the commission shall conduct a service review of the municipal services..."

Contra Costa LAFCO completed a comprehensive MSR covering EMS and fire service in October 2009. In conjunction with this MSR, LAFCO updated the SOIs for a number of the EMS and fire service providers.

The purpose of the MSRs and SOI updates is to inform the Commission in anticipation of future boundary changes.

Should the Commission determine it is necessary to update SOIs for fire and EMS agencies, then an MSR will be prepared. The Commission's decision will depend on a number of factors, including, but not limited to, outcomes of the County's EMS and fire studies, and availability of LAFCO resources.

1. LAFCO consider identifying funds to issue an annual, written status report regarding efficiency improvements and model optimization activities within County fire districts.

Response: *The recommendation will not be implemented because it is not warranted and is not reasonable. Such annual status reports are not within the scope of LAFCO's authority.*

Among the most fundamental purposes of LAFCO are to discourage urban sprawl, preserve open-space and prime agricultural lands, foster the efficient provision of municipal services, and encourage the orderly formation and development of local agencies based upon local conditions and circumstances (Gov. Code §§56001, 56300, and 56301).

In support of these purposes, LAFCO may prepare studies and obtain and furnish information which may contribute to the logical and reasonable development of local agencies and help shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. Such studies are generally broad in scope (i.e., countywide or sub-regional) and are intended to inform the Commission, local agencies and the public in anticipation of future boundary changes.

As noted above, LAFCOs may prepare MSR in conjunction with SOIs updates, as necessary. In accordance with an MSR, LAFCO shall prepare written determinations with respect to each of the following:

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

Contra Costa LAFCO MSR typically include a review of efficiencies and service models within the scope of LAFCO.

We appreciate the opportunity to submit these comments, and hope they provide a better understanding of the role of LAFCO.

Sincerely,

Federal Glover
Chair, Contra Costa LAFCO



Lou Ann Texeira
Executive Officer

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Special District Member

July 10, 2013

July 10, 2013
 Agenda Item 11

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

Contra Costa County 2012-13 Grand Jury Report No. 1311
“Assessing Fiscal Risk: Who’s Minding the Store?”

Dear Members of the Commission:

On June 6, 2013, Contra Costa LAFCO received Contra Costa County Grand Jury Report No. 1311, “*Assessing Fiscal Risk: Who’s Minding the Store?*” (Attachment 1). The report reviews the practices of the County and a sample of cities, school districts and other districts relating to fiscal audits, internal controls and grant compliance.

Contra Costa LAFCO is required to respond to Report No. 1311 by September 4, 2013. The Government Code requires that the responding entity reply to each finding and recommendation. LAFCO staff has drafted a response (Attachment 2) for the Commission’s consideration.

RECOMMENDATION

It is recommended that the Commission approve the attached response to Grand Jury Report No. 1311, with any changes as desired; and direct LAFCO staff to forward the response prior to September 4, 2013.

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

c: Distribution

Attachments:

1. Grand Jury Report No. 1311 “*Assessing Fiscal Risk: Who’s Minding the Store?*”
2. Draft Response to Grand Jury Report No. 1311



June 4, 2013

Federal Glover, Chair
Local Agency Formation Committee (LAFCO)
651 Pine Street, 6th Floor
Martinez, CA 94553

Dear Chairman:

Attached is a copy of **Grand Jury Report No. 1311, "Assessing Fiscal Risk"** by the 2012-2013 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

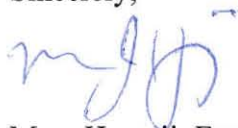
1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than **SEPTEMBER 4, 2013**.

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to clope2@contracosta.courts.ca.gov (Word document).

Sincerely,



Marc Hamaji, Foreperson
2012-2013 Contra Costa County Civil Grand Jury

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**A REPORT BY
THE 2012-2013 CONTRA COSTA COUNTY GRAND JURY**
725 Court Street
Martinez, California 94553

REPORT 1311

ASSESSING FISCAL RISK

Who is Minding the Store?

APPROVED BY THE GRAND JURY:

Date: 5/30/13


MARTHA WHITTAKER
GRAND JURY FOREPERSON- PRO TEM

ACCEPTED FOR FILING:

Date: 6/3/13


JOHN T. LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report

REPORT 1311

ASSESSING FISCAL RISK

Who is Minding the Store?

TO: Contra Costa County, Cities, School Districts and other Special Districts in Contra Costa County, LAFCO (Local Agency Formation Commission)

SUMMARY

Contra Costa County (“County”), its cities, school districts and other special districts (collectively “County Organizations”) have an obligation to establish and maintain a proper system of fiscal controls (“Internal Controls”), including financial and physical oversight, in order to safeguard the public assets. Any financial loss or additional expenditure as a result of lack of oversight is never acceptable.

Internal Controls include but are not limited to: adequate segregation of duties, physical control over assets and records, proper financial reporting and independent checks/oversight on performance. These controls are important when it comes to grant administration. The County, cities and most school districts vie for state and federal grants which require separate reporting and performance according to grant terms. Proper controls are critical to ensuring that grant funds are expended as intended, program activities are carried out in accordance with the terms of the grant, and there is no required repayment to the grantor.

As part of the annual financial statement audit, independent auditors evaluate Internal Controls to the extent that they believe necessary to issue their audit opinion. In doing so, they will report to the organization any problems or findings identified with Internal Controls (including more serious problems which they characterize as “Material Weaknesses” and “Significant Deficiencies”) and instances of non-compliance with grant programs. The reaction of the governing body to any deficiencies in terms of Internal Control Material Weaknesses or Significant Deficiencies and grant non-compliance reported as part of the audit is significant. If the deficiencies are taken seriously and corrected quickly and an environment exists of not allowing repetitive findings, then a robust control environment is promoted. Where reaction is lax and accountability weak, the potential exists for further abuse. This is particularly important in the case of the County, cities and special districts which lack other independent, direct oversight (unlike the relationship of the County Office of Education to the school districts).

A review of auditor reports on Internal Controls and grant compliance from the County, selected cities, school districts and other special districts suggests that the control environment is far from optimum among County Organizations. The majority of County Organizations reviewed had problems with Internal Controls and/or grant compliance identified by the independent auditors, including Material Weaknesses and Significant Deficiencies. In a number of instances, these findings were recurring over multiple years. Furthermore, there is a significant difference among officials interviewed regarding the importance of establishing and maintaining a rigorous Internal Control environment and responding to/fixing findings raised by the independent auditors.

The Grand Jury considers Internal Controls an important element in establishing and maintaining integrity in financial reporting and safeguarding assets on behalf of the citizens of the County.

METHODOLOGY

In evaluating the Internal Control environment maintained by County Organizations, the following tasks were performed:

- Interviews with financial and management officials from selected County Organizations;
- Interviews with representatives from the California State Controller's Office ("SCO");
- Review of audited financial statements for selected County Organizations for the Fiscal Years ("FY") 2011 and 2012;
- Review of auditor communication letters for selected County Organizations related to their audits for the FY2008-FY2012 periods;
- Review of auditor "Management Letters" and/or "Reports on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" for selected County Organizations related to their audits for the FY2008-2012 periods;
- Review of auditor-prepared Single Audit Reports and/or "Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133" for selected County Organizations related to their audit for the FY2008-2012 periods;
- Preparation of a detailed control questionnaire and survey of selected County Organizations;
- Review of State Controller Office Audit report to assess the adequacy of the system of Internal Controls at both the City of Hercules and the Hercules Redevelopment Agency (SCO.ca.gov);
- Review of Contra Costa County internal audit reports and City of Richmond internal audit report – "Internal Audit of Library and Cultural Services Department" dated

February 2013;

- Review of selected outside grant audit reports provided by selected County Organizations;
- Review of requirements for preparation of the Single Audit report, as maintained by the California State Controller's Office (SCO.ca.gov); and,
- Review of selected Government Accounting Standards as promulgated by the Government Accounting Standards Board ("GASB").

BACKGROUND

There have been a number of high-profile financial problems involving local government entities documented in the media over the past several years. From a state perspective this includes The City of Bell in Southern California – where there are allegations of massive corruption, and the bankruptcy filings of Vallejo, Stockton and San Bernardino. In Contra Costa County, the State authorities have intervened in the cities of Richmond and Hercules and the West Contra Costa Unified School District. In certain of these instances, the underlying problems were a lack of financial resources, exacerbated by inadequate financial reporting. In other instances, the problems were caused by a lack of controls over the financial operations of the affected organization.

See Appendix 1 for a glossary of key terms used throughout this report.

Internal Controls

County Organizations have a responsibility to the citizens they serve to safeguard their organizations' assets and report the results of their operations. Internal Controls are the policies and procedures established by an organization to ensure reliable financial reporting, effective and efficient operations, compliance with applicable laws and regulations and the safeguarding of assets against theft and unauthorized use, acquisition, or disposal. A system of Internal Controls should encompass both the control environment and specific control activities.

The management style and the expectations of management, particularly their control policies, determine the control environment. An effective control environment helps to ensure that established policies and procedures are followed. The control environment includes independent oversight provided by a governing board (including audit committees); independent audit of the organization's finances; management's integrity, ethical values, and philosophy; a defined organizational structure with competent and trustworthy employees; and the assignment of authority and responsibility within the organization.

An effective control environment includes the following:

- **Adequate segregation of duties.**

This requires that different individuals be assigned responsibility for different elements of related activities, particularly those involving authorization, custody, or recordkeeping. For example, the same person who is responsible for an asset's recordkeeping should not be responsible for physical control of that asset. Having different individuals perform these functions creates a system of checks and balances.

- **Proper authorization of transactions and activities.**

This helps ensure that all of an organization's activities adhere to established guidelines unless variances are properly authorized by management.

- **Adequate documents and records which provide evidence that financial statements are accurate.**

- **Controls designed to ensure adequate recordkeeping.**

This includes the creation of invoices and other documents that are easy to use and sufficiently informative; the use of pre-numbered, consecutive documents, such as receipt logs; and the timely preparation of documents and financial reports including actual versus budgeted results.

- **Physical controls over assets and records.**

This helps protect an organization's assets. These control activities may include electronic or mechanical controls (such as a safe, employee ID cards, cash registers, and fireproof files) or computer-related controls dealing with system access privileges or established backup and recovery procedures.

- **Independent checks on performance.**

This includes checks which are carried out by employees who did not do the work being checked and will help ensure the accuracy and reliability of accounting information and the efficiency of operations. For example, a supervisor verifies the accuracy of an accounting clerk's account reconciliations. Internal auditors may also verify that the supervisor performed the required review.

In order to identify and establish effective controls, management must continually assess the risk, monitor control implementation, and modify controls as needed.

Annual Audit Internal Control Reporting

Each year, as part of the annual financial statement audit, the independent auditors evaluate those Internal Controls they feel are necessary for them to issue their audit opinion (this could range from a comprehensive review of controls to no review of controls). The auditors do not look at all Internal Controls (for example, the outside auditors for the City of Richmond did not report on any findings with regard to the library, while a separate internal audit found multiple issues and proposed 29 corrective recommendations). At the conclusion of their audit, the auditors are required to communicate with management as to certain key information involved with the audit (often referred to as “Required Communications”) and communicate any findings with regard to Internal Controls (often referred to as a “Management Letter”).

Since the outside auditors’ review is by its nature limited in scope, when the outside auditors describe an inadequate Internal Control environment, a more detailed or thorough review may be required to determine if even more serious or pervasive issues exist (which, if not corrected, could potentially lead to major financial reporting errors, fraud, or other fiscal problems in the future). In addition, for those organizations that received federal funds in excess of \$500,000, the auditors also issue a report on the organization’s compliance with the grants (often referred to as “Single Audit Report”).

The auditors’ control findings are typically categorized as “Material Weaknesses”, “Significant Deficiencies” and “Other Matters or Findings”. The professional literature provides the following definitions:

- “Material Weakness” is “a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.”
- “Significant Deficiency” is “a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.”
- “Other Matters or Findings”, while not specifically defined, refers to any additional issues which the independent auditor wishes to communicate to the governing body of the organization.

Both Material Weaknesses and Significant Deficiencies are considered serious conditions by the outside auditors that warrant immediate attention and correction. An organization’s management is required to formally respond to these findings. An entity can receive a “clean” or unqualified opinion on its financial statements and still have problems with its Internal Controls.

Survey and Report Review Results

A detailed survey covering certain Internal Controls was sent by the Grand Jury to selected County Organizations. This survey focused on identifying the size of finance/accounting functions within the organizations, the adequacy of segregation of duties and what impact, if any, recent budgetary constraints may have had on the size of accounting and finance functions. The surveyed County Organizations were Contra Costa County; the cities of Richmond, Pinole, Antioch and Walnut Creek; the Acalanes Unified, West Contra Costa Unified, Mount Diablo Unified and Pittsburg Unified school districts; Pleasant Hill Recreation District; Contra Costa Water District and Kensington Police and Community Services District. A review of the survey responses and reports from the independent auditor for the five most recent fiscal years (2008-2012) identified the following items:

- Three organizations - City of Richmond, Richmond Housing Authority and West Contra Costa USD - received “qualified” audit opinions from the independent accountants in 2011. The qualifications with respect to the City of Richmond and Richmond Housing Authority relate to the Housing Authority’s ability to continue as a going concern due to its current dire financial position. The qualification on the 2011 West Contra Costa USD financial statements related to the improper exclusion in the financial statements of certain trust/agency activities. The West Contra Costa USD corrected the exclusion in 2012.
- In approximately 75% of the entities reviewed, there was communication from the auditors indicating that a significant number of audit adjustments (for example, approximately 120 separate adjustments in the case of Richmond for 2011) were required to the financial statements as prepared by the organization. This may suggest that monthly or interim information prepared during the year was incorrect, potentially impacting budgetary controls and/or information presented to management/governing boards for decision-making or oversight purposes.
- A majority of the entities reviewed had at least one Internal Control issue noted as Material Weaknesses/Significant Deficiencies. The total number of control issues identified for the five-year period ranged from 1 (Contra Costa Water District and City of Antioch) to greater than 125 (City of Richmond). In many instances, the issues identified were recurring.
- A majority of the entities reviewed had at least one grant compliance finding over the past five fiscal years. The total number of findings ranged from 0 (Contra Costa Water District) to greater than 40 (City of Richmond). In many instances, the issues identified were recurring.

- In the smaller cities and special districts there is not a sufficient number of staff to achieve an adequate segregation of duties.

Contra Costa County has an internal audit group that currently formally reports to the County Auditor-Controller and informally to an “Audit Committee” that includes two County supervisors and representatives from the Auditor-Controller’s Office. The internal audit group reviews the various operating County departments on a 2-5 year cyclical basis (more frequently where problems have been identified). The scope and plans for these audits are determined by the Auditor-Controller, with input from the Audit Committee. The professional literature indicates that the internal audit function should have direct reporting responsibility to the governing board of an organization.

Material Weaknesses/Significant Deficiencies

A more detailed view of the number of Material Weaknesses/Significant Deficiencies identified by the independent auditors for the County Organizations reviewed, including the recurring nature of some of the findings, is presented below in Table 1.

Table 1- Summary of Material Weaknesses/Significant Deficiencies -

Entity	Material Weaknesses/Significant Deficiencies by Fiscal Year					
	2012	2011	2010	2009	2008	Recurring
Contra Costa County	1	1	2	0	0	Yes
City of Richmond/Richmond Housing Authority	*	15	18	12	11	Yes
City of Antioch	0	1	0	0	0	No
City of Walnut Creek	0	0	0	0	0	No
City of Pinole	0	0	0	0	0	No
City of Hercules	(2)	(2)	(2)	(2)	(2)	
Pleasant Hill Recreation	0	0	0	0	0	No
Kensington Police (KPPCSD)	1(1)	0	0	0	0	Yes
Contra Costa Water Dist.	0	0	0	0	0	No
Acalanes USD	0	0	0	1	1	Yes
Mt. Diablo USD	2	2	1	3	1	Yes
West Contra Costa USD	1	2	0	0	0	Yes
Pittsburg USD	2	1	5	11	0	Yes

Legend / Notes –

* Reporting for 2012 not yet completed

- (1) KPPCSD has not completed a timely audit for either 2011 or 2012 due to the credit card charges allegations and investigations. Due to the inability to produce audited financial statements on a timely basis– there is deemed to be a Material Weakness.
- (2) City of Hercules/Hercules RDA – Information based on separate State Controller Office Audit Report of Controls for 2005-2010.

With respect to the school districts, there has been noted improvement in Internal Controls measured by a reduction in auditor findings in the last five years. The Contra Costa Office of Education has regular involvement with the various school districts to assist them in confronting their internal control issues. The County Office of Education has, at times, inserted monitors or consulting experts to assist the districts. The majority of the recent findings relate to identified inadequacies in the controls over cash receipts (most often student/parent donations or contributions) and timely recordkeeping/reconciliation in the area of “Associated Student Funds” – student clubs and organizations for which the school districts have oversight and accounting responsibility.

A number of the organizations reviewed had recurring findings of Material Weaknesses/Significant Deficiencies. The repetition of significant findings from year to year could call into question a management’s or governing board’s commitment to the control environment. Additional background on certain of the information reviewed is as follows:

- **Kensington Police Protection and Community Services District –**

In 2010, the independent auditor identified as an internal control weakness the issue of unsubstantiated credit card purchases. Subsequently, there were allegations of improper credit-card spending. . The District had to incur approximately \$25,000 in costs related to an additional independent, forensic audit of the spending allegations as a result of the lack of functioning of internal controls.

- **The City of Hercules (including the Hercules Redevelopment Agency) -**

An audit by The State Controller’s Office found “control deficiencies were serious and pervasive – in effect, non-existent. In addition, the City Council did not appear to exercise any oversight over the City’s operations.” (SCO Audit Report). The audit (which covered the period 2005-2010) indicates that there were millions of dollars of questionable spending and property transfers by the RDA, misuse of city-issued credit cards, improper budgeting and a lack of competitive bidding on public contracts.

- **The City of Richmond -**

Significant issues were identified in regard to library operations, including inadequate controls over purchases, improper credit card use, significant shrinkage or theft of library materials, unauthorized purchases, lack of control over cash receipts and inadequate controls over fines/billings for lost items. These items could aggregate as much as \$450,000 in losses (2013 City of Richmond Library Internal Audit Report).

- **The City of Richmond/Richmond Housing Authority -**

There are an excessive number of issues noted from an overall perspective. While many of the issues deal with the accuracy and timeliness of financial reporting, there are many which document losses (or potential losses) due to inadequate controls, including: unauthorized city credit card usage, significant levels of uncollectible employee/other loans (which aggregate to approximately \$1 million over the period reviewed), and significant disallowed grant/program costs requiring the city to fund activities initially to be covered under grants (several million dollars).

- **Contra Costa County –**

The Contra Costa County Auditor-Controller department is currently operating at approximately 6-9 headcount below its budgeted headcount level, primarily due to a high level of unplanned retirements (which did not leave time for adequate succession planning) and employee turnover. Additionally, as longer-term employees have retired/left, they have been replaced by less-experienced personnel with an attendant loss of cumulative institutional knowledge.

Internal Audit Reports for the past four years prepared by Contra Costa County internal audit staff identify a number of different internal control issues at the various County operating departments. The majority of issues relate to proper safeguarding of assets and controls associated with ensuring the integrity of financial reporting. The issues at various County departments include:

- A lack of compliance with County credit card guidelines, including personal use, charges for non-permitted items, exceeding transaction authority limits, and missing approvals (primarily for travel) and documentation. According to the internal audit reports there have been instances where the non-compliance resulted in unreimbursed losses.
- Instances where there was a lack of segregation of duties at the operating department level.
- Controls over cash receipts in terms of depositing funds on a timely basis and maintaining adequate control logs over all receipts.
- Concerns with respect to petty cash funds and the timely reconciliation of these funds.
- Controls over various “trust funds” and the timely reconciliation and correction of identified reconciling items, processing disbursement/refunds of such funds and the necessity for proper tax reporting related to certain of these funds.
- Results of periodic inventory observations by the internal audit staff that show both overages and shortages (including items such as medical supplies/pharmacy inventories, fuel inventories, and various supplies).
- Failure to properly and fully reconcile various accounts, many of which show differences between the general ledger system and the related subsidiary systems. This included the

timely resolution (and correction where necessary) of differences identified when reconciliations were performed, rather than just carrying these differences forward. These differences could result in undetected errors or losses and/or inaccurate financial reporting.

- Failure to properly use asset tags to safeguard County equipment and properly certify equipment inventories at fiscal year-ends.

In the case of the County, cities and independent special districts, responsibility for remedy and oversight of findings with respect to Internal Controls lies with management and the related governing board. There is no additional on-going oversight over the County, cities and independent special districts by a supervising entity, similar to the role played by the Contra Costa Office of Education with regard to school districts. According to representatives from the California State Controller’s Office, that organization may intervene in extreme situations including those where state funds are required to be provided as part of a temporary solution to a crisis situation.

In the smaller cities and special districts (such as Kensington Police Protection and Community Services District, Pleasant Hill Recreation District and the City of Pinole) there is not sufficient staff to achieve an adequate segregation of duties. In instances such as these, the professional literature describes the need for additional “compensating controls” – typically a person(s) independent of the day-to-day processes who can exercise a meaningful level of supervisory oversight (including check signatory control for large expenditures). This supervisory oversight could include someone from the related governing board.

Single Audit/Grant Findings

A summary of the Single Audit Report Findings – which focuses on compliance with Federal and State grants, is presented below in Table 2.

Table 2 – Single Audit Report (Grant) Findings (FY2008-2012) -

Entity	Single Audit Report (Grant Findings) Total Grant Issues Identified by Fiscal Year					
	2012	2011	2010	2009	2008	Recurring
Contra Costa County	6	5	3	0	2	Yes
City of Richmond/Richmond Housing Authority	*(1)	12	9	7	11	Yes
City of Antioch	1	0	3	0	0	No
City of Walnut Creek	0	0	0	0	0	No
City of Pinole	0	N/A	0	1	N/A	No
Pleasant Hill Recreation	N/A	N/A	N/A	N/A	N/A	N/A

Entity	Single Audit Report (Grant Findings)					
	Total Grant Issues Identified by Fiscal Year					
Kensington Police (KPPCSD)	N/A	N/A	N/A	N/A	N/A	N/A
Contra Costa Water Dist.	0	0	0	0	0	N/A
Acalanes USD	0	1	0	1	0	Yes
Mt. Diablo USD	1	3	3	2	5	Yes
West Contra Costa USD	0	1	2	1	3	Yes
Pittsburg USD	0	2	2	3	4	Yes

Legend / Notes –

* Reporting for FY12 not yet complete

N/A – Not applicable

- (1) An employee in the City of Richmond has identified issues with a Library Grant, including allegations of improper accounting and this has been acknowledged by the City per media reports. This is not included in the totals for this year. A separate internal audit of the library function revealed multiple Internal Control weaknesses and 29 corrective recommendations.

Single Audit Report Findings represent identified instances of non-compliance with a grant or award. While the report does not necessarily cover all grants and awards – it does cover those the auditor believes are most significant. The impact of non-compliance instances on grants typically ranges from required remediation to repayment of disallowed grant funds. This could potentially involve the loss of the grant or impact the ability to receive future grants. There were a number of instances where costs charged to grants were disallowed and had to be repaid or entities were not able to identify grant disallowances or required repayments. Specific examples include:

- The City of Richmond 2011 Single Audit Report identified multiple instances aggregating in excess of \$200,000 where repayment of grant funds was required. Additionally information suggests that there are Richmond Library grant funds in excess of \$50,000 which were improperly charged to a grant. Many of these instances related to control problems that were identified for multiple, consecutive years by the independent auditors.
- The 2011 financial statement audit report for the Richmond Housing Authority states that “the allowance for HUD disallowed costs was increased to \$2.4 million” and this was one of the reasons for the auditors questioning the ability of this entity to continue as a going concern or financially-viable entity.
- Contra Costa County was unable to identify the level of disallowed grant or program costs for the past two years.

Single Audit Reports are submitted to the California State Controller's Office which notifies the relevant state agency involved in the grant of any issues raised and it is the individual agency's responsibility to resolve the findings with the grant recipient. Granting agencies may also perform their own audits of grant activity and compliance.

Significant differences exist between County Organizations in the level of importance placed on the various auditor findings in regard to Internal Controls and grant compliance and the control environment considered as a whole. The views ranged from "not important at all" to significant importance coupled with immediate efforts to ensure the findings were corrected and were not recurring.

FINDINGS

1. Several of the entities reviewed showed Material Weaknesses, Significant Deficiencies and other deficiencies in Internal Controls each year as reported by the external auditors.
2. In several instances, the Material Weaknesses, Significant Deficiencies and other deficiencies were repeated from one year to the next by the external auditors without being remedied.
3. Weaknesses in Internal Controls could ultimately result in financial losses, loss of public confidence (reputational risk), inaccurate or faulty financial reporting and decision-making based on incomplete or inaccurate information.
4. Several of the entities reviewed showed issues (including Material Weaknesses/Significant Deficiencies) with respect to compliance with grants which they have been awarded.
5. Unresolved problems with grants could potentially result in the loss of future grants and required repayment of expended grant funds. Where repayment of grant funds is required, unrelated general fund resources are being used. This can result in a loss of public confidence (reputational risk).
6. There is a significant difference among County Organizations as to the level of importance placed on the control and grant compliance findings of the outside auditors and need to remedy, on a timely basis, the issues noted.
7. Many of the entities reviewed had communications from the auditors indicating that a significant number of audit adjustments were required to the financial statements as prepared by the organization. This may suggest that monthly or interim information prepared during the year was incorrect, potentially impacting budgetary controls and/or information presented to management/governing boards for decision-making or oversight purposes.
8. Based on the entities reviewed, the County Board of Supervisors, the City Councils, and the governing boards in the case of school districts and special districts, are not providing adequate oversight over the entities that they govern to ensure that Material Weaknesses, Significant Deficiencies and other deficiencies in regard to Internal Controls and outside grant compliance are being remedied in a timely manner. Most County Organizations do not have an Audit Committee, independent of the organization's financial management, which is chartered to provide financial oversight.

9. A recurring finding by the independent auditors with respect to school districts related to the need for improved controls over “Associated Student Body Funds” – the various student clubs and organizations for which the districts have financial oversight and accounting responsibility. The improved control recommendations involved controls over cash receipts, timely accounting and reconciliation of funds held by the organizations and controls over disbursements. Continued and significant problems in this area could result in both losses and negative publicity (reputational risk).

RECOMMENDATIONS

The Grand Jury recommends that:

1. Financial management of the County, all cities, all school districts and all special districts remedy within 12 months the Material Weaknesses, Significant Deficiencies and other deficiencies in Internal Controls reported by the external auditors.
2. County Organizations maintain or add audit report results to appropriate financial managements’ performance goals to ensure that such individuals are held accountable for promptly remedying deficiencies identified in audit reports, and consider the legality of maintaining or adding such performance goals on audit reports to financial managements’ evaluations.
3. The County Organizations improve direct financial oversight and assessment of the control environment including:
 - a. The Board of Supervisors more actively provide oversight in the case of the County and appoint a formal Audit Committee from among their members to ensure that Internal Control and grant compliance deficiencies are promptly remedied and there are sufficient direct and detailed discussions between the Board and the outside auditors.
 - b. The City Councils more actively provide oversight by appointing an Audit Committee from among their members as well as an ad hoc citizens’ committee to ensure that Internal Control deficiencies are promptly remedied.
 - c. The governing boards of school districts appoint a formal Audit Committee from among their members and provide direct oversight to district operating and financial management to ensure that Internal Control deficiencies are promptly remedied.
 - d. The governing boards of special districts appoint a formal Audit Committee from among their members and provide direct oversight to district operating and financial management to ensure that Internal Control deficiencies are promptly remedied. In instances where the size of the entity precludes an adequate segregation of duties, governing board members need to consider direct involvement in key financial processes.
 - e. The Superintendent of the County Office of Education continue to provide oversight over governing boards of school districts and continue to use the power of this office to compel remediation of Internal Control deficiencies.
 - f. LAFCO (Local Agency Formation Commission) encourage governing boards of special districts to promptly remedy Internal Control deficiencies that are identified.
 - g. The Board of Supervisors have the County internal audit staff report directly to the Board of Supervisors rather than the Auditor Controller. The governing boards of

other County Organizations have the internal audit groups of other County Organizations maintain their independence and not report to financial management but instead to the City Council in the case of cities and the governing boards in the case of school districts and special districts.

REQUIRED RESPONSES

Each County Organization needs to respond only in regards to its own practices.

	Findings	Recommendations
Contra Costa County Board of Supervisors	1-8	1,2,3a,3g
City of Antioch	1-8	1,2,3b,3g
City of Brentwood	1-8	1,2,3b,3g
City of Clayton	1-8	1,2,3b,3g
City of Concord	1-8	1,2,3b,3g
Town of Danville	1-8	1,2,3b,3g
City of El Cerrito	1-8	1,2,3b,3g
City of Hercules	1-8	1,2,3b,3g
City of Lafayette	1-8	1,2,3b,3g
City of Martinez	1-8	1,2,3b,3g
Town of Moraga	1-8	1,2,3b,3g
City of Oakley	1-8	1,2,3b,3g
City of Orinda	1-8	1,2,3b,3g
City of Pinole	1-8	1,2,3b,3g
City of Pittsburg	1-8	1,2,3b,3g
City of Pleasant Hill	1-8	1,2,3b,3g
City of Richmond	1-8	1,2,3b,3g
City of San Pablo	1-8	1,2,3b,3g
City of San Ramon	1-8	1,2,3b,3g
City of Walnut Creek	1-8	1,2,3b,3g

	Findings	Recommendations
Acalanes Union High School District	1-9	1,2,3c,3g
Antioch Unified School District	1-9	1,2,3c,3g
Brentwood Union School District	1-9	1,2,3c,3g
Byron Unified School District	1-9	1,2,3c,3g
Canyon School District	1-9	1,2,3c,3g
Contra Costa Community College District	1-9	1,2,3c,3g
John Swett Unified School District	1-9	1,2,3c,3g
Knightsen Elementary School District	1-9	1,2,3c,3g
Lafayette School District	1-9	1,2,3c,3g
Liberty Union High School District	1-9	1,2,3c,3g
Martinez Unified School District	1-9	1,2,3c,3g
Moraga School District	1-9	1,2,3c,3g
Mount Diablo Unified School District	1-9	1,2,3c,3g
Oakley Union Elementary School District	1-9	1,2,3c,3g
Orinda Union School District	1-9	1,2,3c,3g
Pittsburg Unified School District	1-9	1,2,3c,3g
San Ramon Valley Unified School District	1-9	1,2,3c,3g
Walnut Creek School District	1-9	1,2,3c,3g
West Contra Costa Unified School District	1-9	1,2,3c,3g
Contra Costa County Office of Education	1-9	1,2,3e
Local Agency Formation Commission (LAFCO)	1-8	1,2,3f
Kensington Police Protection and Community Services District	1-8	1,2,3d,3g
Pleasant Hill Recreation and Park District	1-8	1,2,3d,3g
Contra Costa Water District	1-8	1,2,3d,3g



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Don Tatzin
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Dwight Meadows
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Mary N. Piepho
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City Member

George H. Schmidt
Special District Member

July 10, 2013

Marc Hamaji, Foreperson
2012-13 Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Dear Mr. Hamaji:

On June 6, 2013, the Contra Costa Local Agency Formation Commission (LAFCO) received Grand Jury Report No. 1311, entitled "Assessing Fiscal Risk: Who is Minding the Store?"

On July 10, the Commission reviewed the draft response to the Grand Jury, provided input and directed LAFCO staff to submit a response by the September 4th deadline.

We hereby submit the response below, which addresses the findings and recommendations contained in Grand Jury Report No. 1311.

FINDINGS

- Several of the entities reviewed showed Material Weaknesses, Significant Deficiencies and other deficiencies in Internal Controls each year as reported by the external auditors.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

- In several instances, the Material Weaknesses, Significant Deficiencies and other deficiencies were repeated from one year to the next by the external auditors without being remedied.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

- Weaknesses in Internal Controls could ultimately result in financial losses, loss of public confidence (reputational risk), inaccurate or faulty financial reporting and decision-making based on incomplete or inaccurate information.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

4. Several of the entities reviewed showed issues (including Material Weaknesses/Significant Deficiencies) with respect to compliance with grants which they have been awarded.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

5. Unresolved problems with grants could potentially result in loss of future grants and required repayment of expended grant funds. Where repayment of grant funds is required, unrelated general fund resources are being used. This can result in loss of public confidence (reputational risk).

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

6. There is a significant difference among County Organizations as to the level of importance placed on the control and grant compliance findings of the outside auditors and need to remedy, on a timely basis, the issues noted.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

7. Many of the entities reviewed had communications from the auditors indicating that a significant number of annual audit adjustments were required to financial statements as prepared by the organization. This may suggest that monthly or interim information prepared during the year was incorrect, potentially impacting budgetary controls and/or information presented to management/governing boards for decision-making or oversight purposes.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

8. Based on the entities reviewed, the County Board of Supervisors, the City Councils and the governing boards in the case of school districts and special districts, are not providing adequate oversight over the entities that they govern to ensure that Material Weaknesses, Significant Deficiencies and other deficiencies in regard to Internal Controls and outside grant compliance are being remedied in a timely manner. Most County Organizations do not have an audit committee, independent of the organization's financial management, which is chartered to provide financial oversight.

Response: *The respondent can neither agree nor disagree with the finding as we do not have the data to reach a conclusion.*

RECOMMENDATIONS

1. Financial management of the County, all cities, all school districts and all special districts remedy within 12 months the Material Weaknesses, Significant Deficiencies and other deficiencies in Internal Controls reported by the external auditors.

Response: *The recommendation has been implemented. Although LAFCOs are not required by statute to prepare annual financial audits, LAFCO records show that independent audits have been prepared for Contra Costa LAFCO since 2003-04. Should a LAFCO audit ever identify a Material Weakness, Significant Deficiency and/or other deficiency in Internal Controls as reported by external auditors, Contra Costa LAFCO will take prompt action to remedy the matter.*

2. County Organizations maintain or add audit report results to appropriate financial managements' performance goals to ensure that such individuals are held accountable for promptly remedying deficiencies identified in audit reports, and consider the legality maintaining or adding such performance goals on audit reports to financial managements' evaluations.

Response: *This recommendation has been implemented. The Contra Costa LAFCO Executive Officer's annual performance review, as well as the Commission's annual work program, includes completion of the annual financial audit as an annual goal.*

3. The County organizations improve direct financial oversight and assessment of the control environment including:
 - (f) LAFCO encourage governing boards of special districts to promptly remedy Internal Control deficiencies that are identified.

Response: *The recommendation has been implemented. In conducting Municipal Service Reviews (MSRs), one of the financial documents LAFCO typically reviews is the local agency's financial audit. If LAFCO finds significant issues of concern regarding financial matters, these are identified in the MSR report.*

We appreciate the opportunity to submit these comments.

Sincerely,

Federal Glover
Chair, Contra Costa LAFCO

Appendix 1 – Glossary of Key Terms

Audit Committee – An operating committee of an organization’s governing board charged with oversight of the organization’s audit and control functions.

Management Letter- The required communication of the independent auditor and those charged with governance of an organization in regards to deficiencies identified during the audit in the system of internal controls. In the Public Sector, these are also commonly referred to as “Reports on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards.”

Material Weakness -A deficiency or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Required Communications – The independent auditor is required to formally communicate with those charged with governance in relation to an audit of financial statements. This typically involves a governing board and any audit committee established by such governing board. The communication typically includes the auditor’s responsibilities under generally accepted auditing standards, an overview of the planned scope and timing of the audit and significant findings from the audit.

Significant Deficiency - A deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Single Audit Report – All non-federal government entities that expend \$500,000 or more of Federal awards or grants are required to obtain an annual audit in accordance with the Single Audit Act and rules set forth by the Office of Management and Budget (OMB). This audit, typically done in conjunction with the annual financial statement audit, focuses primarily on grant/award compliance. This report is often titled “Independent Auditors’ Report on Compliance with Requirements that could have a Direct And Material Effect on Each Major Program an on Internal Control over Compliance in Accordance with OMB CircularA-133.”

System of Internal Accounting Controls or Internal Controls – The policies and procedures established by an organization designed to ensure reliable financial reporting, effective and efficient operations, compliance with applicable laws and regulations and the safeguarding of assets against theft and unauthorized use, acquisition, or disposal. A System of Internal Accounting Controls should encompass both the control environment and specific control activities.



Lou Ann Texeira
Executive Officer

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July 10, 2013 (Agenda)

July 10, 2013
 Agenda Item 12

Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Authorize Service Contract - Countywide Second Round Water/Wastewater Municipal Service Review

Dear Members of the Commission:

DISCUSSION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that on or before January 1, 2008, and every five years thereafter, LAFCO, review and update the sphere of influence (SOI) of each local agency, as necessary. As part of the SOI update, LAFCO must prepare a corresponding Municipal Service Review (MSR) to determine the range and adequacy of governmental services provided.

In April 2013, Contra Costa LAFCO completed its inaugural MSR cycle and the comprehensive review of all 19 cities and 75 special districts and corresponding SOI updates for most agencies. In accordance with the CKH Act, LAFCO will initiate second round MSR/SOI updates. For those agencies where an SOI update is not necessary, a cursory review may be performed; and for agencies where an SOI update is necessary, a more comprehensive review will be conducted.

The second round MSR/SOI updates were previously discussed with the Commission, and an MSR progress report was provided in March 2013 in conjunction with the proposed budget. As discussed, the second round MSR cycle will begin with a countywide review of water/wastewater services.

Consultant Recruitment Process - Contra Costa LAFCO has relied primarily on consultants to prepare its MSRs. Given the technical nature of water/wastewater services, LAFCO will utilize professional consulting services for this MSR. On May 8, the Commission approved release of a Request for Proposals (RFP) and Scope of Services for this MSR. The RFP was released on May 10, was sent to over 40 firms, and posted on the Contra Costa LAFCO, CALAFCO and California Special Districts Association (CSDA) websites. Proposals were submitted by the following four firms (copies of the proposals are available upon request):

- GST Consulting
- Planwest Partners, Inc.
- Policy Consulting Associates Team
- Swale, Inc.

The proposals varied in terms of approach, number of team members and timelines; and costs ranged from \$62,240 to \$78,790.

A selection committee composed of Carole Cooper, Assistant Executive Officer - Sonoma LAFCO, Elliot Mulberg, Executive Officer - Solano LAFCO, and your Executive Officer reviewed the written proposals and interviewed all of the firms on June 25th. The interviews were structured, with questions designed to gauge the consultants' understanding of the required tasks, proposed approach to the MSR, experience and familiarity with LAFCO, qualifications of personnel assigned to work on the MSR, budget and other factors.

Following the interviews, the committee deliberated and reached a unanimous recommendation. While the committee was impressed with all of the firms, based on review of the written proposals and the oral interviews, the selection committee recommends that GST Consulting be selected to prepare the MSR. Follow-up reference calls were made and support this recommendation.

The GST Consulting team includes Gary Thompson, Harry Ehrlich, and Bob Aldrich, which collectively have over 80 years of local government and LAFCO experience as highlighted below. The team recently completed an MSR for Los Angeles LAFCO that included a review of water and wastewater services.

- Gary Thompson will serve as the *Managing Principal and Financial Analyst* for the MSR project. He has over 18 years of municipal service delivery and financing analysis experience. Mr. Thompson has extensive experience developing and analyzing comprehensive fiscal analyses, municipal budgets, infrastructure and staff analyses; and with fiscal modeling of city mergers and consolidations, shared services analyses and municipal financing. Mr. Thompson prepared initial and comprehensive fiscal analyses for eight proposed incorporations, including the proposed Town of Alamo.
- Harry Ehrlich will serve as *Water/Wastewater Services and Policy Analyst* on the project. He has over 40 years of experience in LAFCO and local government work, with the last 30 years devoted to public works and special district related issues, in particular water and wastewater services. Mr. Ehrlich has experience analyzing special district infrastructure, facility assessment, and governance structure alternatives. He currently serves as Director of Legislative Research for San Diego LAFCO. During his tenure with San Diego LAFCO, he conducted MSRs and SOI updates for over 60 special districts. Mr. Ehrlich is active in CALAFCO and currently serves as Co-Chair of the CALAFCO Legislative Committee. Previously, Mr. Ehrlich served as President and Board Member of the CSDA.
- Bob Aldrich will serve as *Project Manager and Policy Analyst* on the project. Mr. Aldrich has over 30 years of local government planning experience at city, county and LAFCO levels. He served as Assistant Executive Officer with Orange LAFCO for over 10 years during which time he led Orange LAFCO's effort to complete its first round MSRs, and personally prepared 20 MSRs/SOI updates for cities and special districts. Mr. Aldrich also managed incorporation projects, various special studies and fiscal analyses (i.e., water, sewer, fire, police), and a number of complex annexation and reorganization projects.

FINANCING

Adequate funding is included in the FY 2013-14 budget to cover costs associated with this MSR.

RECOMMENDATION

Authorize staff to execute a contract with GST Consulting to prepare a countywide second round Water and Wastewater MSR/SOI updates for the term August 1, 2013 through July 31, 2014 in an amount not to exceed \$62,240.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Consultants



Lou Ann Texeira
 Executive Officer

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July 10, 2013 (Agenda)

July 10, 2013
 Agenda Item 13

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

Special District Risk Management Authority (SDRMA) Board Election

Dear Commissioners:

Contra Costa LAFCO purchases its workers' compensation and property/liability insurance through the SDRMA. The SDRMA is a joint powers public agency which provides full-service risk management services to over 900 diversified members, including special districts, municipalities, joint powers authorities and LAFCOs. In conjunction with participation in the SDRMA, LAFCO is also a member of the California Special Districts Association (CSDA).

In January 2013, the Commission received correspondence from the SDRMA calling for nominations for the SDRMA Board of Directors for four (4) director seats up for election.

In May, LAFCO received an election packet from SDRMA with information regarding the election process and seven candidates (attached). The SDRMA requests action by LAFCO to select up to four (4) candidates for the SDRMA Board of Directors. Ballots must be cast by **August 27, 2013**.

In conjunction with the last SDRMA election in 2011, the Commissioner appointed an ad hoc committee to review the candidates and report back to the Commission with a recommendation.

Recommendation:

Provide direction as to casting a vote in the 2013 SDRMA Election.

Sincerely,

Lou Ann Texeira
 Executive Officer

Attachment



SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for four (4) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in January 2013.

On May 7, 2013, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2012-05 Establishing Guidelines for Director Elections. The Election Committee confirmed that seven (7) candidates met the qualification requirements and those names are included on the Official Election Resolution and Ballot.

Enclosed is the Official Election Resolution and Ballot along with a Statement of Qualifications as submitted by each candidate. Election instructions are as follows:

1. The enclosed combined Official Election Resolution and Ballot must be used to ensure the integrity of the balloting process.
2. After selecting up to four (4) candidates, your agency's governing body must approve the enclosed Official Election Resolution and Ballot. **Ballots containing more than four (4) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Resolution and Ballot **MUST** be sealed and received **by mail or hand delivery at SDRMA's office on or before 5:00 p.m. on Tuesday, August 27, 2013 to the address below.** Faxes or electronic transmissions are NOT acceptable. A self-addressed, stamped envelope is enclosed.

Special District Risk Management Authority
Election Committee
1112 "I" Street, Suite 300
Sacramento, California 95814

5. The four-year terms for newly elected Directors will begin on January 1, 2014 and terminate on December 31, 2017.
6. Important balloting and election dates are:

August 27, 2013 - Deadline for members to return the signed Official Election Resolution and Ballot

August 29, 2013 - Ballots are opened and counted

August 30, 2013 - Election results are announced and candidates notified

September 18, 2013 - Newly elected Directors are introduced at the SDRMA Annual Breakfast to be held in Monterey at the CSDA Annual Conference

October 29-30, 2013 - Newly elected Directors are invited to attend SDRMA Board meeting (Sacramento)

January 2014 - Newly elected Directors are seated and Board officer elections are held

Please do not hesitate to call SDRMA's Chief Financial Officer Paul Frydendal at 800.537.7790 if you have any questions regarding the election and balloting process.

RESOLUTION NO. _____

**A RESOLUTION OF THE GOVERNING BODY OF THE
Contra Costa Local Agency Formation Commission
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

WHEREAS, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2012-05 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2012-05 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Contra Costa Local Agency Formation Commission selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



**OFFICIAL 2013 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS**

VOTE FOR ONLY FOUR (4) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than four (4) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than four (4) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 5:00 p.m., Tuesday, August 27, 2013. Faxes or electronic transmissions are NOT acceptable.

- MURIL CLIFT (INCUMBENT)**
Director, Cambria Community Services District
- MIKE SCHEAFER**
Director/Vice President, Costa Mesa Sanitary District
- JOHN WOOLLEY**
Director/Finance Officer, Manila Community Services District
- TIM UNRUH**
District Manager, Kern County Cemetery District No. 1
- JEAN BRACY (INCUMBENT)**
Director of Administrative Services, Mojave Desert Air Quality Management District
- DENNIS MAYO**
Director/President, McKinleyville Community Services District
- DAVID ARANDA (INCUMBENT)**
General Manager, North of the River Municipal Water District

ADOPTED this ____ day of _____, 2013 by the Contra Costa Local Agency Formation Commission by the following roll call votes listed by name:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

APPROVED:

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate	Muril N. Clift
District/Agency	Cambria Community Services District
Work Address	PO Box 65 – 1316 Tamsen St., Cambria 93428
Work Phone	805- 927-6223
Home Phone	805- 927-7124

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

It has been an honor and privilege to serve on SDRMA's Board of Directors for the past four years. During that time the Board, through prudent financial management has:

- Held rates stable in a serve recession.
- Instituted longevity bonuses for member loyalty
- Established programs to assist handling and preventing workers compensation claims through the Company Nurse Program and Safety Equipment Reimbursement Program
- Expanded training and professional development opportunities through financing the Targeted Solutions Program and Special Districts Leadership Foundation

I want to continue on the Board to support these programs and seek additional service opportunities to members while providing exceptional value in insurance access.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

My background includes a combination of a strong commitment to the concept of the Special District form of government and a 41 year career in the private personal and commercial insurance industry.

In addition to serving the past four years on the SDRMA Board, I currently serve as:

- Director, Cambria Community Services District
- Director, Special Districts Leadership Foundation
- Commissioner, San Luis Obispo County LAFCO
- Member, Special Districts Legislative Committee

I am totally committed to the Special District as the most direct form of local government.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Having served on the Boards of several different types of Special Districts – School District, Airport District, Multi Services District and Single Service Agency – gives me an understanding of the different problems faced by districts and the opportunities for SDRMA to provide assistance.

My 41 year career, now retired, in the private personal and commercial insurance industry provides an understanding of the liabilities Districts face and how SDRMA can meet our member's risk management and insurance needs.

What is your overall vision for SDRMA? (Response Required)

My vision for SDRMA is incorporated in SDRMA's Mission Statement of "providing renewable, efficiently priced risk management services through a financially sound pool to CSDA member districts".

First, I see SDRMA's primary responsibility is to provide as much stability to risk financing as possible maintaining financial security of the risk pool.

Second, I see SDRMA expanding the risk management services through expanded training and professional development provided to its members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/15/2013

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate Mike Scheafer

District/Agency Costa Mesa Sanitary District

Work Address 1551-B Baker St., Costa Mesa, CA 92626

Work Phone 714 435-0300

Home Phone 714 549-4961

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As an insurance professional for over 40 years I have become acutely aware of the need for strong risk management practices and procedures. I work hard to not only manage my own risk, but those of my customers and my Special District. I have a desire to share my skill and expertise with the various Districts in California.

I believe the increasing stress and challenges in risk management for Special Districts need a knowledgeable, committed professional like myself.

My professional life has given me an opportunity to serve various "communities" in a number of ways. Serving on the SDRMA Board is another opportunity to serve, one in which I would be honored to do.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have served as a Board Member for a number of non-profit and civic groups and agencies. In almost every experience I have been chosen as Chair or President for those groups. I believe this is a demonstration of my leadership skills. I have received a number of awards for that service.

I founded 2 non-profit organizations dedicated to serving my community. I currently serve on 2 CSDA committees. I am a former City Councilmember for the City of Costa Mesa, former Parks and Recreation Commissioner, and previously served as a CMSD Director.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I am a recognized leader and educator in the insurance industry with several awards for my experience in insurance awareness and risk avoidance. I hold a Community College teaching credential in Insurance Education.

State Farm Insurance appointed me at the Legislative Advisor to Assemblywoman Marilyn Brewer. I continue to work as an insurance advisor for State and Federal organizations in legislative affairs and issues.

As a past international officer for Lions Clubs International, I am often consulted on insurance or risk management issues for local Lions Clubs.

I continue to be the "go to guy" for risk management advice for various local and state groups.

What is your overall vision for SDRMA? (Response Required)

Special Districts are faced with many challenges in today's environment, risk management being one of them. There is a definite need for comprehensive plans for reducing risks, which ultimately provided cost benefits to the Districts. My vision for SDRMA is to advise and help implement the types of plans that allow Districts success. At the same time SDRMA needs to provide comprehensive, low cost coverages to protect Districts from the unforeseen circumstances that will happen. SDRMA continues to provide those benefits. I would look forward to being a part of the process of protection for Special Districts.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

4/15/13

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate John Woolley
District/Agency Manila Community Services District
Work Address 147 Melvin Lane Arcata, CA 95521
Work Phone 707.498.1371 Home Phone 707.443.6889

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I was fortunate to be part of the beginnings of SDRMA when it was created in the latter part of the 1980's, then under the name Special District Insurance Agency. From there the focus changed, from not just providing basic insurance, but recognized risk management is the essential service and purpose for the existence of the entity, and therefore, so did the name change to SDRMA. From these experiences on the Board of Directors, I personally grew and became an advocate for its abilities and services. Now retired, but still engaged in community volunteer service, I remain attracted to the work of SDRMA and find the possibility to serve on the Board to be an exciting opportunity, and a position I am sure will be personally fulfilling. The SDRMA Management and Board Team have been providing excellent leadership, maintaining the stability and member services necessary for SDRMA to be successful, and it would be an honor to serve with them.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have had over 30 years experience in various public service positions. Besides serving my community service district for 16 years, I was elected to the Humboldt County Board of Supervisors in 1996, serving 3 terms before stepping down to take a position as Field Representative for Assemblymember Wesley Chesbro, retiring in 2012. During my time on the Board of Supervisors, I was active in creating joint powers authorities, providing vital services in waste management, energy conservation, and other fields, where I was able to bring their risk management needs to SDRMA. I am familiar with the communities of our northwest counties, i.e Humboldt, Del Norte, and Trinity from my experiences with both the Board of Supervisors and the State Assembly. Currently, besides serving on the Manila CSD, I am Board member of our local county wide economic development organization, Redwood Region Economic Development Commission, also a SDRMA member; a member of the Humboldt State University President's Advisory Board, and Board President of the North Coast Cooperative.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

From my previous experiences with SDRMA, I have a good understanding of the organization's policies and procedures that provide a systematic ability to offer excellent coverages and risk management services. From my overall experience in public board service, I am knowledgeable of the understanding required to set policy, review and understand budgets, develop and follow appropriate personnel policies, and other legal Board requirements. I have had a good deal of experience in making presentations. I have good knowledge of the legislative process and can assist in guiding efforts to achieve legislative goals beneficial to SDRMA and its members.

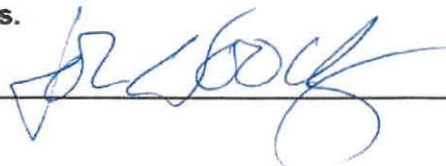
What is your overall vision for SDRMA? (Response Required)

Clearly SDRMA has been successful over the years in providing risk management services, attracting and retaining members, providing stable rates, while practicing in a collaborative ability among the Board and Management Team members. It is important to all of SDRMA that these same successes be part of its future endeavors.

At the same time, SDRMA must be mindful of the changes in the risk management world and create responsive business plans that will continue and enhance upon the existing level of services. To do so, SDRMA Board members must remain in good communication with its members; reflecting their concerns and interests, and representing SDRMA wherever possible in their communities. When the Board is considering changes or new level of services, it must remain diligent to protecting its members assets.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4/23/13

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate Timothy W. Unruh
District/Agency Kern County Cemetery District No. 1
Work Address 18662 Santa Fe Way/ P O Box 354, Shafter, CA 93263
Work Phone (661) 746-3921 Home Phone (661) 332-3252

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

This is an opportunity to give back to the members of SDRMA; I am especially interested in keeping a small district influence on the board. It is important to maintain a balanced perspective for the decisions that impact all the members of SDRMA.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have been the District Manager for the Kern County Cemetery District for 26 years. I have had various and extensive Board experience as follows:

Locally:

Kern County Special District Association - worked for LAFCo representation for special districts; Kern County Association of Public Cemeteries; 10 years on local school board and various community boards.

State:

California Special Districts Association-currently on Legislation Committee and 3 years as a Director, one year as Legislation Committee Chair. While on CSDA I met with SDRMA in various joint meetings in an effort to help both organizations in their work together. California Association of Public Cemeteries-on board 10 years, past president and currently as legislation committee chair.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Those that know me, know that I am a people person and will work to make my involvement the best that I can. I have an interest in legislation and currently am on on CSDA Legislation Committee and have been a past chairman of the CSDA Legislation Committee. I have been working on various committees for 30 years and understand that it is important to listen to the needs of the committee and the members.

What is your overall vision for SDRMA? (Response Required)

SDRMA has shown a great concern for the special districts in California in their commitment to meeting their insurance needs. This is done by being involved and listening to members. I wish to expand that basic concept by continuing to create education opportunities and create a tool box that districts can use to reduce claims and keep employees safe.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4-22-2013

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Jean Bracy, SDA
District/Agency Mojave Desert Air Quality Management District
Work Address 14306 Park Ave., Victorville, CA 92392
Work Phone 760-245-1661

Why do you want to serve on the SDRMA Board of Directors?

I have served on the SDRMA Board of Directors for nearly four years. During this term, the Board has adopted many important programs and policies aimed to provide members cost effective coverage and to support every member's effort to develop safe working environments. During my tenure, the Board voted each year to hold rates flat for the property/liability program; established a multiple-policy discount (5%) for each member who belongs to both the property/liability and the workers compensation programs; created the longevity distribution which shares investment earnings with members who continue with SDRMA programs; established the loss prevention allowance funds which reimburses members for safety-related costs up to \$1,000; launched and enhanced the SDRMA interactive website; strengthened support to California Special Districts Association (CSDA) and the Special District Leadership Foundation (SDLF); provided FREE online training through Target Solutions; and contracted with Company Nurse to provide FREE screening services for work-related injury cases.

I have worked closely with SDRMA for 13 years. I am attracted to its member-focused, pro-active, and positive mission. I would like to see – and be a part of – SDRMA continue this member-centric approach.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I am currently serving my second term on the Board of Directors for the Special District Leadership Foundation (SDLF), representing the SDRMA. As a member of this Board I have been part of the renewal and expansion of the SDLF programs, including the premier program, District of Distinction, also the Special District Administrator Certificate, the Recognition of Special District Governance, and the newly created District Transparency Certificate of Excellence.

My career experience with special districts has helped me to understand the issues specific to smaller organizations. I have learned what it really means for an organization to do more with less. I have also learned that political realities for special districts are distinct from other forms of governments. As the Director of Administrative Services for the Mojave Desert Air Quality Management District, I am the staff representative to the Governing Board Committees for Budget and Personnel. I am a member of and have chaired the California Air Pollution Control Officers Association (CAPCOA) statewide committees for Fiscal and Human Resource officers. I organized and have chaired the Alternate Fuel Task Force for the Mojave Desert air basin; I have represented the District in the Antelope Valley Clean Cities Coalition.

My working opportunities have crossed several public service types. I served as the Victorville city representative to the Technical Advisory Committee for the Victor Valley Transit Authority and as the City representative and officer on the Executive Committee of the Regional Economic Development Authority. I volunteered four years on the Board of Directors of the Victor Valley Federal Credit Union. For six years, I worked as an adjunct professor at Victor Valley Community College teaching Public Works Administration.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

As professional and as a volunteer, I have a wide range of experiences with organizational structures, long term and vision planning, development of staff and volunteers, and resource and program management. My experience of leading organizational activities and implementing change for growth includes bringing together intergenerational and multicultural groups to achieve common goals.

I am an effective manager with expertise in efficient and productive management implementing process improvements in finance, human resources, risk management, and a wide variety of related administrative and organizational functions. I have led highly skilled teams to support the achievement of overall agency goals and objectives.

I earned a Master's Degree in Public Administration from California State University, San Bernardino

I earned the Special District Administrator Certification from the Special Districts Leadership Foundation

I earned the Recognition of Special District Governance from the Special Districts Leadership Foundation

I earned the Masters Certification in Labor Relations from the California Public Employers Labor Relations Association (CALPELRA)

What is your overall vision for SDRMA?

I want to continue contributing my experience and expertise to SDRMA's overall function to further strengthen and enhance the lines of services provided by SDRMA. I want to be part of the mission to enhance the member's experience through claims management and education that leads to loss prevention.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature John Bracy Date February 12, 2013

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate Dennis Mayo

District/Agency McKinleyville Community Services District

Work Address 1656 Sutter Road, McKinleyville, CA
95519

Work Phone (707) 839-3251 Home Phone (707) 832-9334

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

SDRMA on a nuts and bolts level is the single most important Board for Special Districts. Serving ones District is a special trust given by the local electorate. Being elected by ones peer's to serve in the betterment of all Special Districts honors those constituents and allows me to be the voice of my District. I am dedicated to public service and feel my work ethics and experience will be a valuable asset to SDRMA, my District and all our Special Districts.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Currently I am the Board President of McKinleyville Community Services District; Director of Open Beach and Trails; ACWA Region 1 Board Member; JPIA/ACWA Employee Benefit Committee member; Director of membership Moose Lodge No. 208; Legislative analyst for California Commercial Beach Fisherman Association; North Coast Representative for the Blue Ribbon Coalition. Formerly a Humboldt County Planning Commissioner; Vice President McKinleyville Rodeo Association; Lake Earl Grange member; Member of the California State Grange Consumer Committee; Humboldt Bay Harbor District Strategic Plan; Humboldt Bay Municipal Water District Strategic Plan. Member of the Arcata Fire Protection District Fund Coordinator and other Boards and Commissions over the past (40) forty years.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

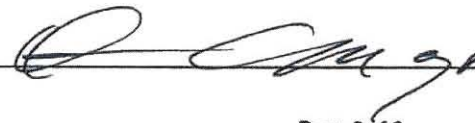
I have a Life and Casualty Insurance experience and worked in the field in my earlier years. I have extensive experience with group dynamic's and the interplay of Workman's Compensation. I have worked on Legislative issues and developed specific language for successful State and Federal Legislation and have negotiated many successful employee contracts. From groups as small as a Rodeo Committee to a twenty million dollar Water District, dotting the "I's" and crossing the "T's" on insurance issues means the difference between success and failure. I have a unique talent working with diverse groups and getting to the heart of an issue.

What is your overall vision for SDRMA? (Response Required)

California is in financial crisis. There are local, regional and national pressures that make stewarding the public trust seem almost a nightmare. SDRMA is planted deeply and perhaps unfairly in the middle of that crucible. It is often said that we must think outside the box for creating solutions. The truth is we must think both outside and inside the box to provide the best service for Special Districts in our Districts and our State. It is my hope to bring a powerful and creative energy to this Board and leave no stone unturned to make SDRMA the best it can be.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

5.2.13

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Experience and "thinking outside the box".

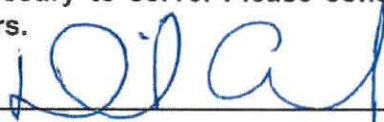
What is your overall vision for SDRMA? (Response Required)

To see the Following:

- 1. Claims reduced to an unbelievable low number due to education, safety practices, and an overall safety culture promoted by SDRMA and practiced by all Districts.**
- 2. Premium payments reduced by 50% by 2020 due to sound investment and low claims.**

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-22-13



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member

Dwight Meadows
Special District Member
Mary N. Piepho
County Member
Rob Schroder
City Member

Don Tatzin
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member
Sharon Burke
Public Member
Tom Butt
City Member
George H. Schmidt
Special District Member

July 10, 2013

July 10, 2013
Agenda Item 14

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

Commemorating 50 Years of LAFCOs

Dear Commissioners:

This year marks the 50th anniversary of the creation of Local Agency Formation Commissions (LAFCOs).

CALAFCO is planning a number of activities as part of the 2013 annual conference to commemorate this anniversary. There will be a special area designated at the annual CALAFCO conference to display agency resolutions and proclamations commemorating the 50th anniversary of LAFCOs.

LAFCO staff has drafted a resolution for the Commission’s consideration (attached).

Recommendations:

1. Advise as to whether the Commission wishes to adopt a resolution commemorating the 50th anniversary of LAFCOs;
2. Advise as to any amendments to the resolution; and
3. Advise as to whether the Commission wishes to submit the resolution to be displayed at the 2013 annual CALAFCO Conference.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Resolution Commemorating the 50th Anniversary of LAFCOs

*CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
RESOLUTION COMMEMORATING THE
50TH ANNIVERSARY OF LAFCOS*

WHEREAS, after World War II, California experienced dramatic growth in population and economic development. With this boom came demands for housing, jobs and public services. To accommodate these demands, the State formed many new local government agencies, often with little forethought as to the ultimate governance structure in a given region; and

WHEREAS, the lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion/loss of California's agricultural and open space lands; and

WHEREAS, recognizing this problem, Governor Edmund G. "Pat" Brown appointed the *Commission on Metropolitan Area Problems* in 1959. The Commission's charge was to study and make recommendations on the "misuse of land resources, and the growing complexity of local governmental jurisdictions; and

WHEREAS, California State Assemblyman John T. Knox, a second-term assemblyman from Richmond, who served as Chairman of the Assembly Local Government Committee in 1963, originally introduced AB 1662, a bill in the 1963 Legislative Session regarding the formation of new cities and new special districts; and

WHEREAS, California State Senator Eugene T. Nisbet, a first-term senator from San Bernardino County, originally introduced SB 861, a bill in the 1963 Legislative Session to create "Local Agency Annexation Commissions" in each county in California; and

WHEREAS, the bills introduced by Assemblyman Knox and Senator Nisbet were combined into the Knox-Nisbet Act of 1963 and approved by the Legislature; and

WHEREAS, on July 17, 1963, Governor Edmund G. Brown signed AB 1662, the Knox-Nisbet Act of 1963, creating LAFCOs, which took effect on September 20th; and

WHEREAS, by April 1, 1964, LAFCOs were functioning in all counties in California except the City and County of San Francisco (San Francisco LAFCO was created in 2000); and

WHEREAS, special districts gained the right to be represented on LAFCO in 1970; and, as of today, special district representatives serve on more than half of all LAFCOs in California, including Contra Costa LAFCO; and

WHEREAS, the Knox-Nisbet Act, along with the District Reorganization Act of 1965 and the Municipal Organization Act of 1977, were succeeded by the Cortese-Knox Local Government Reorganization Act of 1985 and later by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act); and

WHEREAS, essential concepts that are fundamental to LAFCO operations include its independence; representation of county, city, special district and public members; establishment of uniform criteria and procedures for forming new cities and special districts and changing their boundaries; the right of landowners and registered voters to protest LAFCO decisions— most of which originated in the Knox-Nisbet Act—are still found in today’s CKH Act, and continue to guide LAFCO deliberations and decision-making; and

WHEREAS, the State Legislature has empowered LAFCOs with regulatory authority over local agency boundary changes; and

WHEREAS, State law tasks LAFCOs with encouraging orderly growth, promoting the logical formation and determination of local agency boundaries, discouraging urban sprawl, and preserving open space and prime agricultural lands; and

WHEREAS, the State of California amended the law in 1971 to require that LAFCOs establish Spheres of Influence (SOIs) for each city and special district within their respective county; and

WHEREAS, the State of California amended the law in 1993, empowering LAFCOs to initiate proposals to consolidate, dissolve, or merge special districts; and

WHEREAS, in 1994, LAFCO law was amended to allow LAFCOs to approve the extension of services outside jurisdictional boundaries under specific conditions; and

WHEREAS, the State of California amended the law in 2000 to require that LAFCOs prepare Municipal Service Reviews (MSRs) of cities and special districts, which are reports in which LAFCOs examine future growth, the adequacy of public services; infrastructure needs or deficiencies; opportunities for shared facilities; and accountability, governmental structure, and operational efficiencies of local agencies; and

WHEREAS, Contra Costa LAFCO is a public agency governed by a seven-member board which meets monthly in the Contra Costa County Board of Supervisors Chambers; and

WHEREAS, since 1963, Contra Costa LAFCO has approved nearly 2,200 proposals, including hundreds of changes of organizations and reorganizations, and the incorporation of seven of the 19 cities in Contra Costa County, the first being the City of Clayton in 1964, and the most recent being the City of Oakley in 1999; and

WHEREAS, Contra Costa LAFCO completed MSRs for all 19 cities and 75 special districts in Contra Costa County, which can be found on the LAFCO website; and

WHEREAS, Contra Costa LAFCO recently processed and approved the reorganization of a health care district, one of the few examples of its kind in the State; and

WHEREAS, the website for Contra Costa LAFCO promotes transparency by providing information of interest to the public, including a Local Agency Directory with profiles and

boundary/SOI maps for each city and special district in Contra Costa County, LAFCO meeting agendas and minutes (audio), MSR reports, application forms and checklists, and Commission adopted policies and procedures; and

WHEREAS, Contra Costa LAFCO has actively supported its state association - the California Association of Local Agency Formation Commissions (CALAFCO). Commissioners from Contra Costa LAFCO have served with distinction on the CALAFCO Board of Directors; Contra Costa LAFCO staff has served as Deputy Executive Officer and Executive Officer of CALAFCO; Commissioners and staff have served on CALAFCO committees (legislative, awards, nominations) and have participated in planning for annual conferences, staff workshops and organizing educational workshops' assisting in preparing CALAFCO white papers and contributing to the CALAFCO newsletter; and

WHEREAS, since 1997, Contra Costa County local agencies, individuals, and legislators have seven times been recipients of the annual CALAFCO Achievement Awards.

NOW, THEREFORE, BE IT RESOLVED, that Contra Costa LAFCO hereby commemorates the 50th anniversary of the founding of Local Agency Formation Commissions (LAFCOs).

PASSED AND ADOPTED this 10th day of July 2013.

Federal Glover, Chair

Candace Andersen

Don Blubaugh

Sharon Burke

Tom Butt

Michael McGill

Dwight Meadows, Vice Chair

Mary N. Piepho

George H. Schmidt

Rob Schroder

Don Tatzin



July 10, 2013
Agenda Item 15

RETIREMENT BOARD MEETING
SECOND MONTHLY MEETING

9:00 a.m.
June 26, 2013

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 May 8, 2013 meeting.
4. Presentation by Brown Armstrong on the audit of the December 31, 2012 financial statements.
5. Update from staff on pending legislation pertaining to the County Employees Retirement Law of 1937.
6. Update from staff on application for IRS Letter of Determination.

CLOSED SESSION

7. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation (four cases):
 - a. *Board of Retirement v. County of Contra Costa, et al.*, Alameda County Superior Court, Case No. RG11608520.
 - b. *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N12-1870.
 - c. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation:
In Re: Tribune Company Fraudulent Conveyance Litigation, United States District Court For the Southern District of New York, Case No. 11 MD 2296 (WHP).
 - d. *Debra M. Carmel v. County of Contra Costa, et al.*, Contra Costa County Superior Court, Case No. C12-02360.

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.

OPEN SESSION

8. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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 Tuesday, July 02, 2013

July 10, 2013
 Agenda Item 17a

 1

[AB 453](#) **(Mullin D) Sustainable communities.**

Current Text: Introduced: 2/19/2013 [pdf](#) [html](#)

Introduced: 2/19/2013

Status: 6/25/2013-Do pass as amended, and re-refer to the Committee on Appropriations.

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

Summary:

The Strategic Growth 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_03_12_13](#)

Position: Sponsor

Subject: Sustainable Community Plans

CALAFCO Comments: This would allow LAFcos to apply directly for grants that support the preparation of sustainable community strategies and other planning efforts.

[AB 678](#) **(Gordon D) Health care districts: community health needs assessment.**

Current Text: Amended: 4/15/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 4/15/2013

Status: 6/19/2013-From committee: Do pass and re-refer to Com. on HEALTH. (Ayes 6. Noes 0.) (June 19). Re-referred to Com. on HEALTH.

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

Calendar:

7/3/2013 1:30 p.m. - John L. Burton Hearing Room (4203) SENATE HEALTH, HERNANDEZ, Chair

Summary:

Would require that the health care district conduct an assessment, every 5 years, of the community's health needs and provide opportunities for public input. Commencing January 1, 2019, the bill would require the annual reports to address the progress made in meeting the community's health needs in the context of the assessment. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of support April 17, 2014](#)

Position: Support

Subject: LAFco Administration, Service Reviews/Spheres

CALAFCO Comments: This bill requires Health Care Districts that do not operate their own hospital facilities to create every 5 years, an assessment of the community health needs with public input. The bill requires LAFcos to include in a Municipal Service Review (MSR) the Health Care District's 5-year assessment.

[AB 743](#) **(Logue R) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.**

Current Text: Amended: 6/11/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 6/11/2013

Status: 6/11/2013-Read second time and amended. Ordered to third reading.

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

Calendar:

7/3/2013 #127 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city, if the petition was initiated on or after January 1, 2010, and before January 1, 2014, and waive protest proceedings entirely if certain requirements are met. This provision applies only to territory that does not exceed 150 acres. This Bill would delete the January 1, 2014, date and make conforming changes. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Support May 23, 2013](#)

[CALAFCO Letter of support April 10, 2013](#)

Position: Support

Subject: Annexation Proceedings, CKH General Procedures

CALAFCO Comments: As amended, this bill removes the sunset date provision to waive protest proceedings for certain island annexations.

Unincorporated islands are more costly and inefficient for counties to administer as opposed to the local municipality. A sunset date was initially established on this ability to encourage the use of the provision and was extended to allow cities and LAFCOs additional time to implement island annexation programs. The unforeseen economic downturn over the past five years has significantly hampered the initial progress, and with the sunset ready to expire at the beginning of next year, cities and LAFCOs have yet to complete the work that the law intended them to do. Over the twelve year period since the law was established, hundreds of islands have been annexed, yet hundreds more remain.

Additionally, the bill was amended to reset the effective island creation date from January 1, 2000 to January 1, 2014 thus allowing smaller islands of less than 150 acres created after 2000 to be annexed under these provisions. Many of these current islands remained as remnants of larger substantially surrounded island areas that had irregular boundaries or were affected by the annexation of territory for newer development.

[AB 1427](#) (Committee on Local Government) Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Enrolled: 6/26/2013 [pdf](#) [html](#)

Introduced: 4/1/2013

Last Amended: 4/30/2013

Status: 6/24/2013-In Assembly. 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 Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (act), provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would specify that the definition excludes any independent special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Support April 2013](#)

[CALAFCO Letter of support as amended May 2013](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: Cortese-Knox-Hertzberg Omnibus bill.

SB 56 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Amended: 6/11/2013 [pdf](#) [html](#)

Introduced: 1/7/2013

Last Amended: 6/11/2013

Status: 6/19/2013-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0. Page 1449.) (June 19). Re-referred to Com. on APPR.

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

Summary:

Beginning with the 2004-05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of support April 10, 2013](#)

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: This bill reinstates revenues through ERAF (backfilled by the state general Fund) for cities incorporating after 2005 and annexations of inhabited territories.

SB 772 (Emmerson R) Drinking water.

Current Text: Introduced: 2/22/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Status: 5/3/2013-Failed Deadline pursuant to Rule 61(a)(2). (Last location was G. & F. on 3/11/2013)

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

Summary:

Would require the State Department of Public Health or the local health agency, where applicable, annually to provide the address and telephone number for each public water system and state small water system to the Public Utilities Commission and, as prescribed, to a local agency formation commission. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter of Opposition April 10, 2013](#)

Position: Oppose

Subject: LAFCo Administration, Service Reviews/Spheres

CALAFCO Comments: Requires LAFCos as part of a MSR, to request information from identified public or private entities that provide wholesale or retail supply of drinking water, including the identification of any retail water suppliers within or contiguous to the responding entity. Further requires LAFCos to provide a copy of the SOI review for retail private and public water suppliers to the Public Utilities Commission and the state department of Public Health.

AB 21 (Alejo D) Safe Drinking Water Small Community Emergency Grant Fund.

Current Text: Amended: 2/14/2013 [pdf](#) [html](#)

Introduced: 12/3/2012

Last Amended: 2/14/2013

Status: 6/27/2013-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.)

(June 26). Re-referred to Com. on APPR.

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

Summary:

Would authorize the Department of Public Health to assess a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and deposit that money into the Safe Drinking Water Small Community Emergency Grant Fund, which the bill would create in the State Treasury. The bill would authorize the department to expend the money for grants for specified water projects that serve disadvantaged and severely disadvantaged communities, thereby making an appropriation.

Position: Watch

Subject: Disadvantaged Communities

AB 37 (Perea D) Integrated regional water management plans: funding: disadvantaged communities.

Current Text: Amended: 6/20/2013 [pdf](#) [html](#)

Introduced: 12/3/2012

Last Amended: 6/20/2013

Status: 6/27/2013-Re-referred to Coms. on N.R. & W. and APPR.

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

Summary:

Would require in each integrated regional water management region that not less than 10% of any funding for integrated regional water management planning purposes be used to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities. This bill contains other existing laws.

Position: Watch

Subject: CEQA

AB 115 (Perea D) Safe Drinking Water State Revolving Fund.

Current Text: Amended: 6/17/2013 [pdf](#) [html](#)

Introduced: 1/14/2013

Last Amended: 6/17/2013

Status: 7/1/2013-In committee: Placed on APPR. suspense file.

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

Summary:

Would authorize the State Department of Public Health to fund projects, by grant, loan, or a combination of the two, where multiple water systems apply for funding as a single applicant for the purpose of consolidating water systems or extending services to households relying on private wells, as specified. The bill would authorize funding of a project to benefit a disadvantaged community that is not the applying agency. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Water

AB 543 (Campos D) California Environmental Quality Act: translation.

Current Text: Amended: 5/24/2013 [pdf](#) [html](#)

Introduced: 2/20/2013

Last Amended: 5/24/2013

Status: 6/13/2013-Referred to Com. on E.Q.

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

Calendar:

7/3/2013 9 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, HILL, Chair

Summary:

Would require a lead agency to translate, as specified, certain notices required by the California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report when a group of non-English-speaking people, as defined, comprises at least 25% of the population within the lead agency's jurisdiction and the project is proposed to be located at or near an area where the group of non-English-speaking people comprises at least 25% of the residents of that area. By requiring a lead agency to translate these notices and documents, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: As amended, requires a lead agency to translate certain notices, summary of a negative declaration, mitigated negative declaration, or environmental impact report when the impacted community has 25% or more non-English speaking people affected by the project. The requirement is to translate these notices and summaries in the native language of those impacted. This is an unfunded mandate. While LAFCo is not typically the lead agency, there may be an occasion when they are, and this could have significant resource implications.

AB 1235 (Gordon D) Local agencies: financial management training.

Current Text: Amended: 7/1/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 7/1/2013

Status: 7/1/2013-Read second time and amended. Re-referred to Com. on APPR.

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

Summary:

Would require a local agency official, in local agency service as of January 1, 2014, or thereafter, except for an official whose term of office ends before January 1, 2015, to receive training in financial management if the local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of a legislative body. The bill would provide that if any entity develops criteria for the financial management training, then the Treasurer's office and the Controller's office shall be consulted regarding any proposed course content. The bill would declare that the edification of local government officials in financial management is a matter of statewide concern, thus making it applicable to charter cities, charter counties, and charter cities and counties.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: Requires that if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the legislative body, the member shall receive one-4 hour state mandated Financial Management training per term of office. Effective January 1, 2014 for those in office as of that date (whose term of office extends beyond January 1, 2015). Those elected to more than one legislative body may take the training one time and have it apply to all legislative bodies on which they serve. This would apply to a LAFCo Commissioner who receives a stipend or is reimbursed for expenses in the performance of their Commissioner duties.

AB 1248 (Cooley D) Controller: internal control guidelines applicable to local agencies.

Current Text: Amended: 5/24/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 5/24/2013

Status: 6/25/2013-From committee: Do pass and re-refer to Com. on APPR. with recommendation: to consent calendar. (Ayes 11. Noes 0.) (June 25). Re-referred to Com. on APPR.

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

Summary:

Would require the Controller, on or before January 1, 2015, to develop internal control guidelines applicable to a local agency, as defined, to prevent and detect financial errors and

fraud, based on specified standards and with input from any local agency and organizations representing the interests of local agencies. This bill would require the Controller to, by the same date, post the completed internal control guidelines on the Controller's Internet Web site and update them, as he or she deems necessary , as specified .

Position: None at this time
Subject: LAFCo Administration

SB 181 (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 6/26/2013 [pdf](#) [html](#)

Introduced: 2/6/2013

Last Amended: 5/28/2013

Status: 6/26/2013-Enrolled and presented to the Governor at 3 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 First Validating Act of 2013, 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 Letter of Support March 7, 2013](#)

[CALAFCO Letter of Support May 23, 2013](#)

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

SB 182 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/28/2013 [pdf](#) [html](#)

Introduced: 2/6/2013

Last Amended: 5/28/2013

Status: 6/24/2013-Ordered to inactive file on request of Senator Wolk.

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 Second Validating Act of 2013, 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 Letter of Support March 7, 2013](#)

[CALAFCO Letter of Support May 23, 2013](#)

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

SB 183 (Committee on Governance and Finance) Validations.

Current Text: Amended: 5/28/2013 [pdf](#) [html](#)

Introduced: 2/6/2013

Last Amended: 5/28/2013

Status: 6/24/2013-Ordered to inactive file on request of Senator Wolk.

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 Third Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

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

AB 380 (**Dickinson D**) **California Environmental Quality Act: notice requirements****Current Text:** Amended: 5/24/2013 [pdf](#) [html](#)**Introduced:** 2/14/2013**Last Amended:** 5/24/2013**Status:** 6/13/2013-Referred to Com. on E.Q.

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

Summary:

Would require an environmental impact report (EIR) and a mitigated negative declaration on a project to be filed with both the Office of Planning and Research and the county clerk and be posted by the county clerk for public review. The bill would require the county clerk to post the notices within one business day, as defined, of receipt and stamp on the notice the date on which the notices were actually posted. By expanding the services provided by the lead agency and the county clerk, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch**Subject:** CEQA**AB 792** (**Mullin D**) **Utility user tax: exemption: distributed generation systems.****Current Text:** Amended: 6/25/2013 [pdf](#) [html](#)**Introduced:** 2/21/2013**Last Amended:** 6/25/2013**Status:** 6/25/2013-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.

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

Calendar:

7/3/2013 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, WOLK, Chair

Summary:

Current law provides that the board of supervisors of any county may levy a utility user tax on the consumption of, among other things, gas and electricity in the unincorporated area of the county. This bill would exempt from any utility user tax imposed by a local jurisdiction, as defined, the consumption of electricity generated by a renewable distributed generation system that is installed for the exclusive use of a single customer.

Position: None at this time**Subject:** Public Records Act

CALAFCO Comments: Relates to public agencies who post their meeting information on their website pursuant to the Ralph M. Brown Act. In the instances where they are unable to post the agenda on the website in the prescribed timeframe due to technology difficulties, the agency is required to post the meeting agenda and information on the website as soon as the technological difficulties are resolved.

SB 184 (**Committee on Governance and Finance**) **Local government: omnibus bill.****Current Text:** Amended: 6/10/2013 [pdf](#) [html](#)**Introduced:** 2/6/2013**Last Amended:** 6/10/2013**Status:** 6/26/2013-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (June 26). Re-referred to Com. on APPR.

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

Calendar:7/3/2013 Upon adjournment of Session - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, GATTO, Chair

Summary:

Current law requires any person who intends to offer subdivided lands within this state for sale or lease to file with the Department of Real Estate an application for a public report consisting of a notice of intention and a completed questionnaire, as specified. This bill would specify that a lot, parcel, or unit satisfies the requirement that it be improved with a completed residential structure if it is improved with a completed residential structure at the time it is conveyed by the subdivider. This bill contains other related provisions and other existing laws.

Attachments:

- [CALAFCO Letter of Support March 7, 2013](#)
- [CALAFCO Letter of Support May 23, 2013](#)

Position: Support

[SB 268](#) ([Gaines R](#)) Political Reform Act of 1974.

Current Text: Amended: 3/18/2013 [pdf](#) [html](#)

Introduced: 2/13/2013

Last Amended: 3/18/2013

Status: 4/25/2013-Set, first hearing. Hearing canceled at the request of author.

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

Summary:

The Political Reform Act of 1974 requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports, that include prescribed campaign finance information. This bill would repeal the requirements to file these reports and would, instead, require that a candidate or committee who makes or receives a contribution of \$100 or more to report that contribution to specified filing officers within 24 hours of receiving the contribution. This bill contains other related provisions and other existing laws.

Position: Watch

[SB 359](#) ([Corbett D](#)) Environment: CEQA exemption: housing projects.

Current Text: Amended: 4/1/2013 [pdf](#) [html](#)

Introduced: 2/20/2013

Last Amended: 4/1/2013

Status: 6/25/2013-From committee: Do pass and re-refer to Com. on H. & C.D. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (June 25). Re-referred to Com. on H. & C.D.

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

Calendar:

8/12/2013 1:30 p.m. - State Capitol, Room 127 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHAU, Chair

Summary:

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. This bill would instead exempt as "residential" a use consisting of residential units and neighborhood-serving goods, services, or retail uses that do not exceed 25% of the total building square footage of the project. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: This bill would exempt as "residential" a use consisting of residential units and neighborhood-serving goods, services, or retail uses that do not exceed 25% of the total building square footage of the project.

[SB 436](#) ([Jackson D](#)) California Environmental Quality Act: notice.

Current Text: Amended: 4/3/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 4/3/2013

Status: 6/25/2013-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 3.) (June 24). Re-referred to Com. on APPR.

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

Calendar:

7/3/2013 Upon adjournment of Session - State Capitol, Room 4202
ASSEMBLY APPROPRIATIONS, GATTO, Chair

Summary:

Would require a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

CALAFCO Comments: Requires lead agencies to conduct at least one public scoping meeting for proposed projects and increases notification requirements for lead agencies.

SB 633 (Pavley D) CEQA.

Current Text: Amended: 5/6/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 5/6/2013

Status: 7/1/2013-Action From NAT. RES.: Do pass as amended.To APPR..

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

Summary:

The California Environmental Quality Act prohibits a lead agency or responsible agency from requiring a subsequent or supplemental environmental impact report (EIR) when an EIR has been prepared for a project pursuant to its provisions, unless one or more of specified events occurs, including, among other things, that new information, which was not known and could not have been known at the time the EIR was certified as complete, becomes available. This bill would specify that the new information that becomes available was not known and could not have been known by the lead agency or any responsible agency at the time the EIR was certified as complete. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

SB 731 (Steinberg D) Environment: California Environmental Quality Act and sustainable communities strategy.

Current Text: Amended: 5/24/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 5/24/2013

Status: 7/1/2013-Action From NAT. RES.: Do pass as amended.To L. GOV..

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

Summary:

Would provide that aesthetic impacts of a residential, mixed-use residential, or employment center project, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. The bill would require the office to prepare and propose, and the Secretary of the Natural Resources Agency to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise, and for the transportation and parking impacts of residential, mixed-use residential, or employment center projects within transit priority areas. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

SCA 11 (Hancock D) Local government: special taxes: voter approval.

Current Text: Amended: 5/21/2013 [pdf](#) [html](#)

Introduced: 1/25/2013

Last Amended: 5/21/2013

Status: 6/27/2013-Re-referred to Com. on APPR.

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

Summary:

Would instead condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition , if the proposition proposing the tax contains specified requirements . The measure would also make conforming and technical, nonsubstantive changes.

Position: Watch

Total Measures: 24

Total Tracking Forms: 24

7/2/2013 8:47:05 AM

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – JULY 10, 2013**

July 10, 2013
Agenda Item 17b

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
Annexation 182 to CCCSD: proposed annexation of 99.7± acres in Martinez and Lafayette	11/29/11	Incomplete; awaiting info from applicant
Northeast Antioch Reorganization Area 2B: Annexations to City of Antioch and Delta Diablo Sanitation District	11/30/12	Incomplete; awaiting info from applicant
Rodeo Marina Annexation to RSD – proposed annexation of 28± acres located along the northwestern edge of the Rodeo community	2/20/13	Under review
Bayo Vista Housing Authority Annexation to RSD – proposed annexation of 33± acres located south of San Pablo Avenue at the northeastern edge of the District's boundary	2/20/13	Under review
City of Martinez Out of Agency Service Request - – request to extend water services to a 0.82± acre parcel located at 172 Gordon Way in Alhambra Valley	5/31/13	Under review
Annexation 184 to CCCSD: proposed annexation of 28.08± acres in five separate areas in Alamo and Danville	7/1/13	Under review

Letters to the Editor June 6

Developer's lawsuit over Pismo Beach proposal denied

Published: **June 5, 2013** Updated 14 hours ago



Judge rules agency acted appropriately in refusing annexation for Los Robles project

By Cynthia Lambert — clambert@thetribunenews.com

Citing the shaky state of water sources vital to Central Coast residents, a San Luis Obispo Superior Court judge ruled Wednesday that a local agency acted within the law when it denied Pismo Beach's request to annex a 182-acre property into the city last year.

Approval of the request would have paved the way for a residential development known as Los Robles del Mar, which included plans for about 250 single-family homes and 60 senior citizen residences on 154 acres.

"The fragility of the existing water supply on California's Central Coast is an enduring, knotty problem that has often bumped up against the engines of development and economic growth," Judge Charles S. Crandall wrote in the opening of his ruling.

After reviewing 4,140 pages connected to the case, Crandall wrote that the San Luis Obispo Local Agency Formation Commission had considered "the potential harms to the public interest that might occur if the city's and developer's assumptions and predictions about water supply should not come to pass."

He determined that substantial evidence supported the LAFCO commissioners' 5-2 vote to deny the annexation in March 2012.

David Church, the agency's executive director, called the ruling a full victory for LAFCO and for the way the commissioners had reached their decision.

Larry Persons, president of Simi Valley-based Pacific Harbor Homes, has been trying for more than 25 years to develop the property on the city's northeastern edge bordered by Oak Park Boulevard and east of James Way.

But concerns over water twice derailed his plans. In 2008, he proposed using on-site wells to supply water to the development, but LAFCO commissioners rejected the plan.

Persons then spent \$3.5 million to purchase 100 acre-feet of state water from another property owner.

But the LAFCO board was still concerned about the availability of the city's long-term water supply and questioned the reliability of state water, one of Pismo Beach's three sources.

The lawsuit, filed in May 2012, asked the court to rescind and nullify LAFCO's decision and adopt a new resolution approving the annexation without any conditions, including allowing Persons' use of on-site wells.

Persons and Pismo Beach attorney David Fleishman could not be reached to comment Wednesday evening.

In the ruling, Crandall mentioned the city's three sources of water.

"A careful review ... establishes that periodic drought is now a reality in California, and the probability of drought must play an important factor when planning for further development on the Central Coast of California," he wrote.

He added: "During drought years, when runoff from the Sierra is diminished, when there (is) a shortage of water in state reservoirs, and when drought results in reduced groundwater pumping, Pismo Beach may very well not be able to meet the needs of its residents."

Pismo Beach had also mentioned work on water conservation and recycling programs that would supplement the city's supply, but Crandall noted that while the city has had considerable discussion about a tertiary wastewater treatment plant, no action has been taken on any concrete plans.

(The proposed Spanish Springs development in Price Canyon plans to upgrade the city's wastewater plant as part of its project.)

The Los Robles del Mar lawsuit also alleged the LAFCO board's action was controlled by a vocal group of residents, their elected representative Supervisor Adam Hill, and Bruce Gibson, a county supervisor — a claim that several elected officials later denied. None were named as individual defendants in the suit.

Crandall did not mention that argument in his ruling.

Reach Cynthia Lambert at 781-7929. Stay updated by following @SouthCountyBeat on Twitter.

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[Next Story >](#) **No one injured in overnight arson fire that damaged historic SLO home**

Barnidge: Plan Bay Area will be either the best or worst thing ever to happen to us

By Tom Barnidge Contra Costa Times Columnist Contra Costa Times
Posted:

Tuesday, June 11, 2013
ContraCostaTimes.com

Ready or not, Plan Bay Area is knocking at your door. Metropolitan Transportation Commission and Association of Bay Area Governments officials are expected to approve it next month, climaxing a fight that's produced enough bile to give the entire country acid reflux. In case you're late to the party, you probably should know that supporters and opponents have slightly different views of this vision for the future:

What's Plan Bay Area?

PRO: It's an integrated, long-range transportation and land-use/housing plan that will support a growing economy, provide more housing and transportation choices, and reduce transportation-related pollution in the Bay Area

CON: It's a conspiracy perpetrated by the MTC and ABAG to socially engineer peoples' lives, herding them like cattle from their single-family homes and cars into transit villages.

Why is there a Plan Bay Area?

PRO: Senate Bill 375 requires California's 18 metro areas to plan jointly for transportation, land use and housing as part of a "sustainable communities strategy" to reduce greenhouse gas emissions from cars and light-duty trucks.

CON: Empty-headed bureaucrats, who couldn't find a shadow on a sunny day, have swallowed Al Gore's global warming nonsense and now are using it as their excuse to take control of our lives.

What do MTC and ABAG do?

PRO: MTC is the transportation planning, financing and coordinating agency for the Bay Area that makes the regional transportation network function more efficiently. ABAG is the council of governments and regional planning agency for the Bay Area's nine counties and 101 towns and cities.

CON: They are the bureaucratic incarnation of Big Brother and Karl Marx, only worse, leveraging transportation grants to dictate which cities bend over, when and how far to accommodate a fabricated vision of population growth.

How can MTC and ABAG predict growth?

PRO: For several decades they've developed long-term regional plans for the Bay Area by using computer modeling to forecast transportation demands, economic growth, demographics and land-use changes.

CON: Judging by the numbers they forecast -- 2 million more residents in the next 25 years -- they're doing it with Ouija boards and magic 8-balls while under the influence of hallucinogens.

What will happen to individual cities?

PRO: Bay Area communities will continue to control local development, and most neighborhoods will remain largely unchanged, with the biggest growth taking place in urban areas such as San Francisco, Oakland and San Jose.

CON: High-rise apartments will be wedged into every corner of every town, single-family homes will disappear, riffraff will flock to affordable housing, and schools will be packed tighter than tuna cans. Take a picture of your charming town square, because the charm is about to be removed.

Has the public had a say in this?

PRO: Yes. Oral and written comments from workshops, telephone survey results, a Web survey and focus groups have been studied and analyzed. When the draft plan was released in March, officials opened it up for public comment.

CON: The only say you have is when to list your house and escape this Orwellian mess.

So, to recap: This could be either the best or worst thing ever to happen to us.

To learn more, visit onebayarea.org. Contact Tom Barnidge at tbarnidge@bayareanewsgroup.com.

Moraga-Orinda fire district to review policies in wake of Highway 24 injury accident

By Jennifer Modenessi Contra Costa Times Contra Costa Times

Posted:

Tuesday, June 11, 2013
ContraCostaTimes.com

MORAGA -- The Moraga-Orinda Fire District is reviewing safety policies in the wake of an investigation into a December multicar crash that sent three Moraga-Orinda Fire District firefighters and one motorist to the hospital.

Released June 5, the investigative report deconstructs what happened that stormy morning on a rain-soaked Highway 24 when Capt. Michael Rattery and firefighters Kelly Morris and Stephen Rogness were hit by a car as they tended to a four-vehicle accident. A motorist exiting his car after hitting a fire engine already at the scene was also struck. None of the four had life-threatening injuries.

Authored by private consultant and Lawrence Livermore National Lab Fire Marshal John Sharry, and reviewed by a peer committee, the report praises firefighters, paramedics and a quick-thinking captain whose decision to move an ambulance away from the initial crash scene kept it from being struck by another vehicle.

But it also points out several policy and operating deficiencies that contributed to an already bad situation on a section of freeway between Orinda and the Caldecott Tunnel fire officials say is an accident hot spot.

Those deficiencies include issues with establishing temporary traffic controls such as signs warning motorists they were approaching an accident; limited traffic control information on district training sheets and a lack of adherence to safety policies, including not wearing a "retroreflective" vests required of firefighters at incidents on or near roadways unless they're fighting a fire.

"MOFD doesn't have a formal policy about operations on the highway," Sharry said. "I don't believe that the district gave adequate guidance to its members for the dangers of operating on the highway."

The report's findings and recommendations include:

- Adopting a formal policy on freeway operations. Sharry said the district has three policies that deal mostly with rescue, but not with traffic management. The report recommended reviewing certain guidelines about blocking an accident scene, and said the placement of a fire engine that day was a factor in the accident because it partially obstructed a lane.

-

Providing advance motorist warning of accident scenes. Sharry recommended the district work with Caltrans to provide electronic signs alerting drivers of incident ahead of them. Sharry said motorists approaching the December accident scene on the partially flooded highway had no warning of the fire engine sitting in the middle of the road.

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Crafting guidelines about safeguarding civilians or "patients" in addition to firefighters at an

area of activity such as a highway accident.

The district updates policies on vehicle accident responses on an as-needed basis, said Stephen Healy, MOFD division chief-operations, in an e-mail. Firefighter-paramedics also receive vehicle accident response training and participate in annual simulations.

Fire Chief Randy Bradley said the district is embracing the report's recommendations, and is working with the firefighter's union to address each one. Fire officials are also meeting with Caltrans and the California Highway Patrol about traffic control.

Pinole fire department resignations force city to scramble to bolster staffing

By Tom Lochner Contra Costa Times Contra Costa Times

Posted:

Tuesday, June 11, 2013
ContraCostaTimes.com

PINOLE -- The city is scrambling to beef up its fire department staffing, with the imminent jump by three firefighters to the adjacent Rodeo-Hercules Fire District. A fourth is heading to the Vallejo Fire Department.

The moves come as Pinole already was hustling to fill four other firefighter positions under a federal SAFER Grant that is supposed to reopen Station 74 in Pinole Valley, one of two in the city, shuttered since July 2011; the open station, 73, is downtown.

The fire department also is in a leadership transition, as an interim fire chief, Carlos Rodriguez, prepares to take over next month from fire Chief Charles Hanley, who has served in the dual capacities of Pinole and Rodeo-Hercules fire chief since early 2011. Hanley became Rodeo-Hercules' chief in late 2010; his contract with Pinole expires June 30.

Rodriguez previously served as fire chief of Hollister, Visalia and Teton County, Wyo., and most recently, Union City. His first day on the job in Pinole was June 5.

In April, after months of deliberation, Pinole opted to continue running its own municipal fire department rather than contract for service with Rodeo-Hercules.

Pinole firefighters Clinton Ballard, Robert Gelhaus and Jerry Short gave notice June 3 and will start next week with Rodeo-Hercules, where they will work under the same fire chief, Hanley. Steven Dorsey will leave for Vallejo. The resignations come on top of the March 31 retirement of Pinole firefighter Keith Fields.

The hiring of the three Pinole firefighters by Rodeo-Hercules while Hanley heads both agencies did not sit well with Pinole Mayor Debbie Long.

She said she is not aware of anything in Hanley's contract that would address the hiring issue but added: "I don't think it was the honorable thing to do."

"Because (Hanley) is serving both agencies, he would have to represent both of our interests equally," Long continued. "He should have waited until he ended his tenure as Pinole's chief."

Hanley, in an email Friday, explained that the Rodeo-Hercules board had authorized him to fill three positions that had been vacated because of retirements.

"The Pinole firefighters were among the most qualified," Hanley said. "The timing is due to the length of time it takes to complete a criminal background check and medical examination.

"The Fire District does not discriminate in its employment practices as it relates to hiring the most qualified candidates," Hanley continued. "The filing and screening to fill these positions began early this year."

Pinole had 14 rank-and-file firefighters at the beginning of the year, plus a battalion chief. The retirement and four departures will leave Pinole with nine rank-and-file firefighters.

"With one station, you need a minimum of 12 (firefighters)," Pinole City Manager Belinda Espinosa said. "Where we have a soft spot is controlling overtime costs."

Twelve firefighters staff one firehouse with four people per shift, as long as no one calls in sick or goes on vacation.

Before the recent wave of resignations, Pinole had been well on its way to hiring three of the four firefighters under the SAFER grant; the three will be hired instead to fill recent vacancies, said Pinole Assistant City Manager Hector De La Rosa.

Espinosa noted that while Pinole has accepted the SAFER grant, it has not implemented it or drawn any of its funds.

"We will revisit the question of the SAFER grant and the opening of Station 74," she said Friday.

Contact Tom Lochner at 510-262-2760 or tlochner@bayareanewsgroup.com. Follow him at twitter.com/tomlochner.

Lafayette taking a hard look at fire service

By Jennifer Modenessi Contra Costa Times Contra Costa Times

Posted:

Thursday, June 13, 2013

ContraCostaTimes.com

LAFAYETTE -- A citizen task force will tackle how to improve fire and emergency services in the city in the wake of the rejection last month of a plan to finance a new joint fire station on the Lafayette-Orinda border.

Also spurring this action -- concerns that local taxpayers are receiving fewer services than they pay for, especially with the recent closure of a local fire station.

The city council voted unanimously this week to form the Emergency Services Task Force, to comprise seven to nine residents and two council members. Officials want the group to deliver by Sept. 30 a preliminary report analyzing fire and emergency services in Lafayette.

The decision comes on the heels of a meeting between a council subcommittee and the executive director of the Local Agency Formation Committee, or LAFCO, on what steps Lafayette would take should the city pursue pulling out of the Contra Costa County Fire Protection District.

The subcommittee also met with Moraga-Orinda Fire District officials to discuss various scenarios should the city decide to shift fire services to MOFD.

Officials are considering leaving the Contra Costa Fire district in response to the closure in January of the Los Arabis station in the city's west end as part of a sweep of station closures within the district. ConFire currently operates two other fire stations in Lafayette and the city receives mutual aid from MOFD.

"We have a third of the city without sufficient -- or some would say any -- fire service," said councilman and subcommittee member Brandt Andersson. "That's not an acceptable situation."

At Monday's meeting, Andersson cited ways he believes fire service in the west end could be restored, including MOFD buying the Lafayette parcel where the new station had been proposed.

To do that, MOFD fire Chief Randy Bradley would have to again ask directors to purchase the now off-the-market \$1.2 million property. Bradley had approached the city of Lafayette in May requesting officials buy the property on MOFD's behalf, because the district can't purchase land outside of its own boundaries. MOFD would have closed a station in Orinda slated for reconstruction as part of the deal.

Citing a lack of partnership, a MOFD board majority opposed that idea despite placing a \$15,000 deposit -- of which the county chose not to pay half -- on the property. County supervisors also rejected financing any of the station's estimated \$2 million operational costs.

However, one of the MOFD directors who opposed the purchase has since resigned, and Bradley says he has been asked to place "Station 46" on the June 20 board meeting agenda. ConFire currently has no plans to approach supervisors, but the district is continuing to monitor the situation, said ConFire Chief Daryl Louder. As for pulling out of the county fire system, Andersson said Lafayette needs to continue looking into leaving ConFire and other ways to bolster service -- including contracting for it -- "if ConFire's not going to do it."

For Lafayette to make such changes, LAFCO would need to receive a petition from the city, residents, MOFD or other agency that would provide the services to the city. Agreements with the county, including the sharing or division of personnel, property, pension and health care obligations and taxes, would need to be negotiated. Then the city would submit an application that could cost between \$10,000 and \$25,000.

Talk of such a "detachment" is not sitting well with some county officials, including Supervisor and LAFCO Commissioner Mary Piepho, who said last month that LAFCO could find it difficult to support the request if there's a negative impact to the remainder of the fire district.

"I think it's important to know that Lafayette may try to take their destiny in their own hands but they are not in entire control of it," Piepho said in May.

East Bay Regional Park District to buy Roddy Ranch land in Antioch for \$14.2 million

By Paul Burgarino Contra Costa Times Contra Costa Times

Posted:

Thursday, June 20, 2013
ContraCostaTimes.com

ANTIOCH -- In a huge victory for environmentalists and open space advocates, roughly 1,900 acres at the foot of Mount Diablo that once included an ambitious plan to create a Blackhawk-like luxury home community will become the latest addition to the East Bay Regional Park District.

The rapidly growing park district agreed this week to purchase the property for \$14.24 million -- among its most expensive purchases ever -- from Roddy Group LLC, a partnership that includes ex-rodeo star and longtime cattle rancher Jack Roddy.

The deal caps decades of political and financial wrangling over Roddy Ranch and marks a sharp reversal from the bold effort to capitalize on the region's building boom by luring deep-pocketed executives to Antioch with estates that would complement the city's miles of affordable tract housing.

But the plan, compromised by bureaucratic red tape and persistent financial challenges that climaxed with the housing meltdown, never got off the ground.

Instead of 20,000-square-foot lots, the land will some day be home to a new regional park.

Tuesday's deal represents a "once-in-a-lifetime" opportunity to expand an existing trail network, protect and restore endangered or threatened species such as the California tiger salamander and eventually create Deer Valley Regional Park, said Robert Doyle, the district's general manager. The purchase is "at least in the top three" in the park district's history, he said.

"It will allow us to create a whole new park. Plus, it ties in with the other land acquisitions we've made in East Contra Costa to create a huge wildlife corridor," said district board director Ted Radke.

The district, which is teaming with the East Contra Costa County Habitat Conservancy on the purchase, will start the yearlong escrow process with a \$500,000 initial payment. It also allocated about \$23,000 for the installation of gates, fencing and signs around the property to keep it secure.

The acquisition does not include Roddy Ranch Golf Club, the personal 40 acres of Jack and Donna Roddy, and two other parcels totaling 240 acres inside the project boundary.

Park district acquisitions have increased in fast-growing East Contra Costa since voter approval in 2008 of a \$500 million bond measure for land preservation, including the 220-acre Fox Ridge Manor property and adjacent 21-acre Fan property. Several other parcels that connect those properties to Roddy Ranch were purchased by the Contra Costa Water District as mitigation for its expansion of Los Vaqueros Reservoir.

With Roddy Ranch in the fold, a near-continuous buffer of undeveloped land would be formed from Black Diamond Mines Regional Park to Marsh Creek State Park south of Brentwood. Much of the land around Mount Diablo now will also be open space.

"It's an incredibly important piece of land. We wholeheartedly support (Roddy Ranch) being at the

heart of this new preserve," said Scott Hein, president of conservation group Save Mount Diablo.

Federal grants from the California Wildlife Conservation Board and a private foundation are expected to cover the bulk of the purchase cost. The district will prepare plans for the land during the escrow process. Future amenities could include a more robust trail system for bicyclists and horseback riding, creation of wetland habitats and day camps, Doyle said. The property will be put into a "land bank" until the district's operational budget improves and it can establish a regional park, Doyle said.

Roddy, who helped put the deal together after the district identified the land as a potential regional park, said he is an "agriculturalist" and expressed his pleasure that he would be able "to leave that ranch the way he found it."

Roddy, who grew up ranching on his family farm in San Jose, purchased the land after flying over the grassy site in 1976 and finding it ideal for raising cattle. But as ranching became less viable and finances tightened, he partnered in the late 1990s with a deep-pocketed investor seeking to build.

The plans always centered on making the 656 acres of Roddy Ranch land inside Antioch a community with custom-designed homes. The remaining county land has been set aside for grazing and recreational purposes.

Roddy, 75, a self-described "rancher, not a developer," found himself thrust into the middle of building plans over the years.

In 2000, county supervisors moved Roddy Ranch outside the city's urban limit line, restricting development to existing neighborhoods. The decision stripped the land of development potential.

Antioch voters approved their own boundary five years later, which included a significant piece of Roddy Ranch and allowed for housing development.

But Roddy Ranch developers fell into financial trouble in 2009, defaulting on a \$36 million loan.

Just last fall, a new developer group that included Roddy submitted similar building plans. The park district and other environmental groups have expressed interest in preserving the land for some time. The idea resurfaced over the past few months, and talks intensified in April.

"The recession definitely made a difference. The anticipation was that other projects would be completed a lot sooner," Doyle said.

The Roddy Ranch partnership received higher offers for the property, which is selling for its fair market appraised value under the deal, but with the park district, it "had the assurance of knowing" it would be paid, Doyle said.

"It's a sure thing. There are no strings or appraisals or permits," he said.

Contact Paul Bugarino at 925-779-7164. Follow him at [Twitter.com/paulbugarino](https://twitter.com/paulbugarino).

RODDY RANCH TIMELINE:

1976: Jack Roddy buys 2,156 acres southeast of Antioch.

1996-97: Faced with foreclosure, Roddy forms a partnership with Wayne Pierce, who invests cash

and arranges loans. Pierce owns 80 percent of the new company, and Roddy owns 20 percent.

1998: Partners sign a deal with broker David Fitzgerald to finance a golf course and 1,000 luxury homes on the property.

1999-2000: Fitzgerald sells \$35 million in municipal bonds to finance the project. Investors will be repaid with proceeds from home sales.

2000: Contra Costa County shrinks the urban limit line, which places a large portion of the ranch off-limits to housing.

March 2001: Officials revoke Fitzgerald's securities and broker licenses.

April 2001: Ranch defaults on bond payments.

July 2002: Ranch files for bankruptcy.

August 2003: At the request of creditors, a judge appoints a trustee to take over Roddy Ranch.

May 3, 2004: Richland Communities offers \$31 million for the ranch in a courtroom auction.

June 30, 2004: Richland fails to close escrow for undisclosed reasons.

January 2005: A consortium of owners -- Black Mountain Development of Pleasanton, Castle Companies of San Ramon and Pacific Coast Capital Partners of Sacramento -- forms Roddy Ranch PBC and buys the property out of bankruptcy.

November 2005: Antioch voters approve Measure K, which sets the city's urban limit line to include Roddy Ranch.

November 2006: Roddy Ranch is annexed into Antioch by the county land formation commission, allowing for the use of city services such as police, fire, sewer and water.

January 2009: Antioch releases draft environmental impact report.

July 2009: Ownership group Roddy Ranch PBC defaults on property.

January 2010: Roddy Ranch property purchased by GKK Roddy Ranch Owner LP at a trustee sale.

August 2012: Antioch releases recirculated draft environmental impact review.

June 18, 2013: East Bay Regional Park District purchases Roddy Ranch's 1,885 acres for \$14.24 million.



BAY AREA NEWS GROUP

Pinole turns down federal grant to reopen shuttered fire station, citing financial uncertainties, as tension mounts with firefighters

Contra Costa Times San Jose Mercury News

Posted:

Thursday, June 20, 2013
ContraCostaTimes.com

PINOLE -- In a startling move that underscored the growing tension between the city and its firefighters, the City Council on Tuesday turned down a \$1.24 million federal grant to reopen a shuttered fire station for two years amid a war of words between the mayor and head of the firefighters union.

The council cited concerns over incurring associated costs with reopening the Pinole Valley station, along with a pending unfair labor practices complaint by the firefighters union, in rejecting the grant it had agreed to accept earlier this year.

The 4-1 decision, with Councilman Phil Green dissenting, followed a stark display of tension between Pinole and Firefighters Local 1230, highlighted when Mayor Debbie Long chastised union President Vince Wells for a recent post on this newspaper's website in which he blasted the council's leadership and its rejection of a contract with either of two neighboring fire districts. Wells later walked out of the council chamber with Pinole fire Capt. Rich Voisey after Long refused to engage in a dialogue with Wells as he sought to respond to her accusation, "It is you ... Vince, who has put a cloud over this city."

In his website post, Wells also accused the council of mismanagement and lack of attention to infrastructure and fire apparatus, and cited low morale among Pinole firefighters.

Long was particularly incensed by the post's closing comment, in which Wells, referencing the defection of three Pinole firefighters to the neighboring Rodeo-Hercules Fire District, wrote: "Congratulations to the firefighters who were able to get off this 'sinking ship.'"

Long said, "I want to tell ... everyone in the community that our ship is not sinking."

The two agencies have shared a fire chief since early 2011 in Charles Hanley, whose contract with Pinole runs through the end of June. Wells also decried Pinole's "disrespectful dissolution of (Hanley's) contract" in the post.

Long said she was "tired of people hiding behind the words of a blog," and that to say the Pinole Fire Department's ship is sinking is "wrong, misleading and irresponsible."

Long refused to allow Wells to respond to her remarks, contending that he had gotten his turn to speak earlier in the discussion of the grant. But in a telephone interview with this newspaper later Tuesday night, Wells said he should have been allowed to speak because "the mayor brought up a whole bunch of things that weren't on the agenda."

"She made reference to things that I wrote," Wells said, "but I never had the opportunity to respond; I could have gone toe-to-toe with her.

"She used her position as mayor to control the microphone and express her side without giving me the opportunity to give my side," Wells continued. "In my entire career, I have never seen anybody

abuse her position as mayor as she did."

The federal SAFER grant -- the initials stand for "Staffing for Adequate Fire and Emergency Response" -- was to be spread over two years, and was supposed to reopen Pinole Valley station 74, one of two fire stations in the city. It would have obligated Pinole, one of only three cities in Contra Costa County with a municipal fire department, to hire four new firefighters and renounce any staff reductions during the term of the grant.

The city had formally accepted the grant in January but never drew on it, and so had not implemented it, City Manager Belinda Espinosa said earlier this month.

City officials calculated that running two fire stations, even with the help of the grant, would cost Pinole \$400,000 a year more than keeping only the downtown station open, without the grant. But the council majority said the deciding factor in the vote to forgo the grant was the union's pending, two-count, unfair labor practices complaint before the California Public Employment Relations Board, which they fear could be onerous for the city for years to come in the event the union prevails.

But Wells said the city really did not want the grant.

"PERB gives them their cover to pass on the grant," he said.

One aspect of the PERB complaint deals with employee contributions to retirement; the other, according to the city, is related to overtime pay it says the union believes it was denied when the Pinole Valley station was browned out. But Wells said it is about getting the city to implement staffing provisions in the labor contract, and that overtime pay is only one of several possible remedies to what he characterized as unilateral actions by the city in violation of bargaining rules.

Wells predicted Pinole's renunciation of the SAFER grant would not sit well with its partner agencies in Battalion 7, a three-agency consortium consisting of Pinole, Rodeo-Hercules and the Contra Costa Fire District's El Sobrante and San Pablo stations; all three agencies' firefighters belong to Local 1230. Wells noted that the county fire district recently floated a parcel tax measure, albeit an unsuccessful one, and that Rodeo-Hercules is contemplating some kind of revenue measure as well. By contrast, he said, "Pinole had a grant and turned it down."

Wells said he stands by his "sinking ship" website remark.

"They're in jeopardy," he said of Pinole, predicting that Rodeo-Hercules and the county fire district might no longer want to provide automatic aid to Pinole in view of its rejection of an opportunity to contribute more to Battalion 7. Under automatic aid, the nearest units, as determined by computer, respond to an emergency automatically; under mutual aid, one agency must first make a request to another to receive aid.

Fire districts urged to look at mergers

By Lucas Youngblood | Posted: Friday, June 21, 2013 8:22 am

Consolidating current fire districts was the hot item during the Local Agency Formation Commission meeting in San Andreas on Monday.

Calaveras County LAFCo, the body responsible for deciding the sphere of influences for government agencies, held a periodical service review of fire service providers in the county.

The review took into consideration the future needs of Calaveras in regards to fire service. A similar aspect of all fire districts is a shortage of funds.

“The main theme is that no one has enough money,” LAFCo Executive Officer John Benoit said.

The review was done by consultants Oxana Wolfson and Jennifer Stephenson. Wolfson and Stephenson put together a 257-page report that Benoit called “more comprehensive and analyzed” than the last.

The report gave background information on each district, except the Mokelumne Hill Fire Protection District, and then made determinations to be adopted. Mokelumne Hill was not reviewed due to a pending Grand Jury report involving the district. Benoit said he does not want to “adopt a review that is antiquated when (it is) adopted. The Mokelumne Hill district has an extended 60-day period before its review starts.”

The determinations that are adopted are not enforced; they are a “passive” way of setting standards that allow for flexibility and put the ball in the fire service providers’ court.

Bill Wennhold, a director of the San Andreas Fire Protection District, did not agree with consolidation as a measure to save money.

“We question if consolidation is good,” Wennhold said. “There is no empirical evidence to show that it would make things better here.”

Benoit felt that the established districts were reluctant to share authority with one another.

“These districts have been in existence since the ’30s and ’40s,” Benoit said. “There is identity in the districts and they are trying to protect their districts, that’s the reality of it. What I’d like to see is (a move for consolidation) come from the districts up. Right now I’d say that’s improbable, but in the future you never know.”

The full municipal service review is available online at calaveraslafco.org.

Lafayette fire station land buy moving forward

By Jennifer Modenessi Contra Costa Times Contra Costa Times

Posted:

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ContraCostaTimes.com

ORINDA -- A plan by the Moraga-Orinda Fire District to buy land in Lafayette for a new fire station is back on the table, and the district is once again negotiating the purchase.

The move was approved Thursday by directors Steve Anderson, Alex Evans and new board president John Wyro after being rejected in a 3-2 vote in May. The board is currently operating with four members after director Frank Sperling -- who opposed the purchase -- resigned last month. Director Fred Weil continues to oppose the project.

The approval authorizes MOFD Chief Randy Bradley to begin negotiations with the owners of the 2.33-acre parcel on Lorinda Lane where "Station 46" is planned. That station will replace a Contra Costa Fire District station in west Lafayette the county closed in January, along with other facilities, due to budget cuts.

A new Lorinda Lane station also would replace MOFD's station on Via Las Cruces in Orinda, which MOFD has already spent about \$275,000 to rebuild.

MOFD had originally planned to buy the Lorinda Lane land and build the station jointly with ConFire -- a proposal Bradley and ConFire Chief Daryl Louder estimate would save taxpayers \$80 million over the next 40 years.

That idea was shot down last month by a majority of Contra Costa County supervisors who liked the proposal but didn't support the partnership's timing during continued station closures and other turmoil. An MOFD board majority also squashed the idea, arguing that the district lacked a financial partner and would be spending taxpayer dollars to improve service to Lafayette residents not in their district.

Since then, Lafayette has been studying fire service alternatives, including leaving ConFire and joining MOFD. The city believes its taxpayers are now overpaying for fire service and subsidizing the county -- an argument ConFire challenges. So MOFD director Anderson -- who had previously supported the consolidation but ultimately voted against it -- asked the purchase be considered again.

On Thursday, board president Wyro worked to convince board members to approve entering negotiations with the property owners for that location.

"The only solution I see to make (Station) 46 work to help with our sustainability is to build a Station 46 with Lafayette or ConFire," Wyro said. "But one way or another it needs to happen and it needs to happen there."

Because county regulations prohibit a fire district from purchasing property outside its boundaries, MOFD will once again ask the city of Lafayette to buy the land on its behalf, Chief Bradley confirmed in an email. The city council will make that decision, said Lafayette City Manager Steve Falk.

Should the purchase go through, the property will likely be held by the city of Lafayette until the district finds a financial partner in the county or the city to divide the land purchase, site and utility

work, and station construction costs.

Officials have estimated the total initial cost between \$5 million and \$6 million, excluding staffing and annual operation costs.

ConFire Chief Daryl Louder has said he does not currently have plans to approach county supervisors but continues to monitor the situation. He did not return a call seeking comment.

For Lafayette, funding a land purchase and station construction is not yet in the cards.

"The city does not receive property taxes to fund fire service delivery, and the city also -- unlike fire districts -- does not have special capital funds reserved for the reconstruction of fire stations, or a dedicated revenue source for that purpose," Falk said in an email.

El Cerrito will spend \$25,000 on library needs survey

By Rick Radin Correspondent Contra Costa Times

Posted:

Sunday, June 23, 2013

ContraCostaTimes.com

EL CERRITO -- The City Council agreed last week to spend \$25,000 on a survey to determine what the community would like in a new library.

The decision came on the same night the council passed a bare-bones \$45.8 million 2013-14 budget with minimal changes from a proposed budget it reviewed two weeks ago.

A so-called needs assessment would solicit input from residents about an optimal size and structure for a new library while determining how to apply advances in library technology.

The assessment would have a life span of about three to four years, allowing time to find the money for construction, assistant City Manager Karen Pinkos told the council.

The city did a library needs assessment in 2006 that has been overtaken by developments in technology, she said.

The current library, at 6510 Stockton Ave., opened in 1948 and was renovated once in 1960. It has been identified as woefully inadequate by community groups, including Friends of the El Cerrito Library.

Councilman Mark Friedman urged City Manager Scott Hanin to find the money for the needs assessment and to add more library hours during the budget review session at the June 4 council meeting.

Pinkos said the city was paying about \$60,000 a year to increase library hours from 28 to 35 from 2003 through 2009.

In a reciprocal arrangement, the county agreed to pay for 35 hours of service and the city began paying for utilities, maintenance and other costs, which were previously covered by the county, she said.

"Now we're maintaining the entire building," Pinkos said. "We have to postpone funding (for more than 35 hours) at this time."

The 35 hours per week compares with 50 to 60 hours per week of service for eight other city-owned libraries in Contra Costa County, according to a Friends of the El Cerrito Library survey.

A few other identified needs also went unfunded in the final budget, including additional money to maintain city buildings, clubhouses and playfields and cost-of-living pay adjustments for management and other employees not represented by unions.

Pittsburg fire station closure on July 8 means longer response times, warns Chief

By Eve Mitchell Contra Costa Times Contra Costa Times

Posted:

Tuesday, June 25, 2013
ContraCostaTimes.com

PITTSBURG -- Longer response times to calls are expected to result after fire trucks stop rolling out of one of Pittsburg's three fire stations next month.

Based on computer models, it's estimated the average response time for calls responded to by nearby stations will be 7 minutes and 42 seconds after Station 87 on West Leland Road closes, compared with an average response time of 6 minutes and 23 seconds before the closure.

"It's about a minute-and-20-second difference with units coming from other locations," Contra Costa County Fire Protection District Chief Daryl Louder told a gathering of about two dozen residents who attended a Monday night meeting on the closure at Pittsburg City Hall.

"If they are running another call, if they are returning from a fire in Antioch or whatever it happens to be ... it's certainly possible to have a lot longer than that," he said.

When Station 87 on West Leland Road closes on July 8, it will mark the fourth district fire station that has been shut down since January as a result of the district struggling with fewer financial resources after voters rejected Measure Q, a parcel tax ballot measure in November. After the closure, calls will be handled by a fire station in Bay Point on Willow Pass Road, which is 2.4 miles away, and another Pittsburg station on Railroad Avenue that is 2.9 miles away.

Pittsburg homeowner Astier Jones said she will feel less safe after Station 87 closes.

"It's unfair that you guys are closing," Jones said. "It hasn't even been that long and you guys are already closing it. I was so happy when you opened that station."

Closing the station is expected to result in a yearly savings of about \$1.9 million, resulting from reduced overtime costs for the district, which will continue to maintain the station which was built in 2000. No layoffs are expected from the closure. Instead, firefighters will be reassigned to other stations to maintain a minimum staffing level of three firefighters on each engine company unit over a 24-hour period at the remaining 23 stations.¿

The vast majority of calls handled by Station 87 are emergency medical calls, just as they are at other stations.

To make more efficient use of existing resources during the peak service hours between 8 a.m. and 8 p.m., the district is looking into having two emergency service-only personnel on engine units responding to medical calls. But Louder said the current practice of having three firefighters on an engine unit provides the flexibility to respond to a variety of situations given the district's limited resources.

"People ask 'Why does that big fire truck show up at our medical emergency?' For us, we have very limited resources. It's important to be as flexible and able to adapt and respond to different types of emergencies that we are responsible for as best we can. For us, that's a three-person engine company.... It gives us the most flexibility, the most ability to go from a fire to a water rescue

to medical emergencies to vegetation fires," he said.

Having fire trucks stationed at strategic locations between two fire stations is also under consideration. Although that can result in efficiencies, there are practical issues to consider, Louder said.

"You are talking about a 20-ton fire truck that has to be on electrical charge and gets about two miles or three miles a gallon," he said.

Stations began closing after voters in November rejected a parcel tax that would have raised \$17 million annually over seven years to offset a drop in revenues linked to lower property taxes and higher health care and pension costs.

In January, stations in Lafayette, Martinez and Walnut Creek closed and the Clayton station became staffed on a part-time basis. Last month, the county board of supervisors voted to close Station 87. Supervisors also voted to close another yet-to-be-determined station on Jan. 1, 2014, which will leave 22 stations in the fire district that serves much of Central County as well as Antioch, Bay Point, Pittsburg and San Pablo.

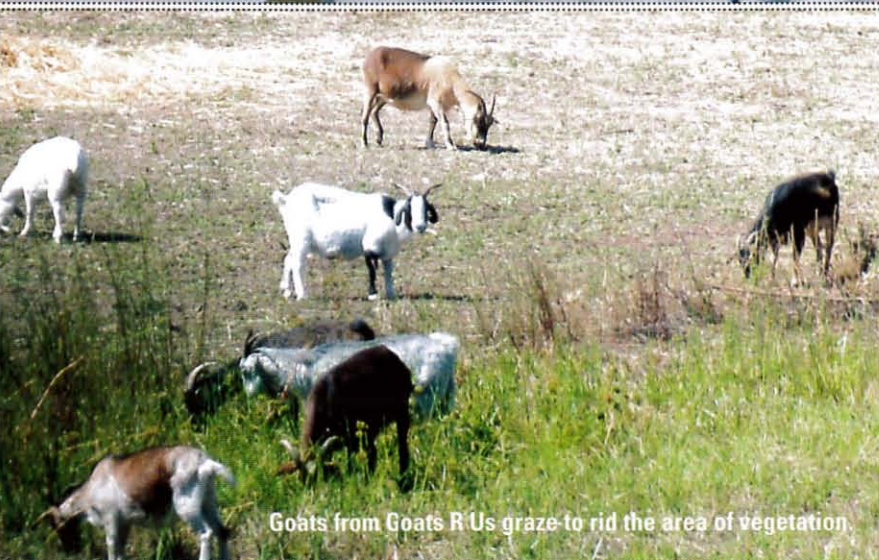
Contact Eve Mitchell at 925-779-7189. Follow her on [Twitter.com/EastCounty_Girl](https://twitter.com/EastCounty_Girl).

Grazing away mosquitos

Contra Costa Mosquito and Vector Control District



Craig Downs



Goats from Goats R Us graze to rid the area of vegetation.

Contra Costa Mosquito and Vector Control District (CCMVCD) works hard to keep pests such as mosquitoes from affecting the lives of their constituents. Recently it experienced a challenge: a local storm water detention basin was becoming a breeding ground for mosquitoes. The basin was thick with vegetation, making it difficult to access by district inspectors. The district was able to meet this challenge head-on by getting involved with other local agencies and the employment of some unique helpers: goats.

California Special District interviewed CCMVCD and asked them to explain why their mission is so important to the public's health, how they met the challenged faced by the storm water basin, and why exactly goats were just what they needed to reduce the presence of mosquitoes on that property.

What is CCMVCD's mission?

Our mission is to protect public health and welfare through area-wide, responsive services and programs. Our vision is be the lead agency in Contra Costa County for the detection and suppression of threats to public health from vectors—disease-transmitting and non disease-transmitting pests— that affect people and disrupt everyday activities.

Why is it so important to locate and target mosquito breeding grounds?

Mosquitoes are capable of spreading a variety of diseases, such as West Nile virus, to people through their bites. Eliminating mosquito-producing water sources prevents mosquitoes from becoming flying, biting adults. As part of our Integrated Vector Management program, every effort is placed on

Contra Costa Mosquito and Vector Control District

Established: 1926
Size: 736 square miles
Population: 1,066,096

Budget: \$6.1 million
Location: Concord, California
Website: www.contracostamosquito.com

preventing mosquito production in the first place. It's the most efficient and effective way to manage mosquito populations and protect public health.

And breeding grounds are everywhere. CCMVCD's vector control inspectors work daily to find and reduce mosquito breeding areas in an environment that is in constant change. Unfortunately, many of the sources are in residents' yards in containers such as buckets, boats, house gutters, toys, soda cans and more. Just one neglected swimming pool can produce more than one million mosquitoes and affect people up to five miles away. We urge our residents to fight the bite with us by emptying standing water and reporting neglected swimming pools and other potential mosquito sources to our district. To encourage the reporting of potential mosquito sources, we accept anonymous reports.

CCMVCD encountered a challenge recently with a mosquito breeding ground at a storm water detention basin located near Heron Park. What about this area made it difficult for the district to reduce the likelihood of mosquitoes breeding there?

Storm water detention basins, like this one, create quite a challenge for mosquito control in several ways. It takes a concentrated effort to locate all of the parties responsible for maintaining the detention basins and to determine a course of action. Mosquito control in the detention basin was difficult due to excessive and dense vegetation. Mosquitoes can develop in extremely small amounts of water. For example, just a couple of tablespoons of water can support a healthy habitat for hundreds of mosquitoes. The basin holds acres of water and the vegetation created thousands of little pockets that were blocked to our control products and prevented it from draining properly. The vegetation was also very thick, which made it difficult for our vector

control inspectors to gain efficient access. The majority of our mosquito control is done when the mosquitoes are in the water in their larval form. Once those mosquitoes become adults, the only effective way to control them and reduce or prevent the transmission of disease is by fogging with pesticides.

Goats were brought in to reduce the vegetation. Why?

Goats are extremely efficient and cost effective at reducing vegetation in a variety of situations. The goats we used are selectively bred to create the ultimate grazing machine. And graze they did! They eat most types of vegetation and are quite efficient.

Were the goats effective in reducing the vegetation?

Absolutely. Within seven days, the goats cleared a majority of the basin vegetation. Their efforts succeeded in making the area more accessible to district inspectors. With easier access and less vegetation, inspectors were able to better treat the area using public health pesticides that kill larval mosquitoes before they become flying, biting adults. The number of trapped adult mosquitoes infected with West Nile virus in the area quickly decreased.

There is a need for effective follow up by the land owner to maintain and minimize vegetation growth. Grading and establishment of low flow channels to direct periodic runoff will be essential for control of mosquitoes.

What are other innovative ways CCMVCD works to protect the public health?

We use mosquitofish in neglected swimming pools to control mosquitoes. Each fish is capable of eating up to 500 mosquitoes each day. The fish are very hardy and can live in the pool for years if no chlorine is present. Mosquitofish are used worldwide for mosquito control, however, using them in neglected swimming pools was unique enough to land our story on the front page of the Wall Street Journal and in a feature story on ABC's

Nightline as well. Mosquitofish are now used by many mosquito control districts as a biological tool to control mosquitoes.

CCMVCD consistently seeks new and innovative methods for mosquito control. For example, we continue to conduct trials using California native fish species for mosquito control in habitats where non-native mosquitofish may not be appropriate.

Would you recommend to other mosquito and vector control districts the use of goats in clearing unwanted vegetation?

Yes. Goats are an effective tool for vegetation management. In February, our scientific and mosquito program managers delivered a presentation at the Mosquito & Vector Control Association of California's Annual Conference to share our success in using this unusual tactic for mosquito control.

The theme of this issue is Effectiveness and Efficiency. Are there any programs CCMVCD has in place to improve its operational efficiency?

We use a Geographic Information System to map mosquito breeding sites, storm sewer systems, adult mosquito trap counts, dead bird reports, etc., all of which enable us to rapidly identify and assess risk areas and alert our field crews to those risk areas quickly and efficiently.

Additionally, our award-winning spray notification system reduces the need for data input and management by asking subscribers to opt in and opt out independently. All communication is delivered via Constant Contact, an online newsletter that we adapted for media releases and spray notifications. Posting spray notifications on our website along with interactive disease surveillance maps decreased phone calls from the public to nearly nil. ■

Moraga-Orinda fire Chief Randy Bradley stepping down

By Jennifer Modenessi Contra Costa Times San Jose Mercury News

Posted:

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ContraCostaTimes.com

MORAGA -- Three years after he was hired to run the Moraga-Orinda Fire District, fire Chief Randy Bradley is stepping down from his \$189,600-a-year job to become fire chief of the Modesto Regional Fire Authority. Bradley's last day will be July 15.

Bradley said he had planned to submit his resignation letter to MOFD's four-member board Friday. Modesto fire officials will approve the new chief's contract and appoint Bradley on Wednesday, according to Modesto fire spokesman Hugo Patino. The job pays between \$132,629 and \$165,766 annually, he said.

Bradley said the move will cut his daily commute from Manteca from three hours to 15 minutes each day, and will allow for more family time.

Bradley, 51, also cites his ties to the Modesto area as a reason the new job makes sense.

"It's where I grew up. It's a big fire district that's developed a formula to become an even bigger fire district. It's a good fit for me," he said.

Bradley currently oversees about 96 employees in Moraga and Orinda. The Modesto fire authority comprises about 150 safety personnel and staffers who serve more than 240,000 residents of Modesto, Salida and adjacent unincorporated areas.

During his time with MOFD, Bradley developed a long-range financial plan he says will greatly reduce the district's pension and health care debt. He navigated the district through the economic downturn by streamlining the organization without reducing service levels, and oversaw programs for neighborhood wildland fire risk reduction and public education in schools.

Against a backdrop of ongoing labor negotiations, he also dealt with challenges, including some criticism over firefighter response to a deadly accident in Orinda in 2010 in which two window washers were electrocuted by a high-voltage transmission line, the failed purchase of an administration building in Moraga and a December accident on Highway 24 in which three firefighters and one motorist were hit by a car.

Most recently, Bradley and departing Contra Costa Fire District Chief Daryl Louder spearheaded a push to consolidate fire service on the Lafayette-Orinda border and purchase land for a new fire station.

That plan has proved challenging after a majority of county supervisors voted against partnering with MOFD to buy a Lafayette parcel. The MOFD board has since decided to team up with the city of Lafayette for the land buy, but both the board and the city still need to vote on the purchase agreement.

Bradley says he believes a joint partnership with the county is still the safest, most achievable option for service to area residents. The city is also exploring leaving ConFire and joining MOFD.

"I'm hoping the Board of Supervisors take another look at the proposal. I think a Lamorinda fire district should definitely happen. It's going to take a little bit longer," he said.

Board member Steve Anderson said he believes the effort will move ahead with or without Bradley.

"The decision to (purchase land) and go forward with the city of Lafayette -- that was a board majority decision. The direction and effort to pursue that will go on regardless of who is wearing the chief's hat," Anderson said.

Bradley became MOFD's fire chief in 2009 after serving as fire chief of the Lawrence Livermore Fire Department and deputy fire chief of the Alameda County Fire Department.

He also chairs the National Fire Protection Association's technical committee and serves on its Standards Council.