



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, April 9, 2014, 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 a change of organization consisting of an annexation or detachment, or a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area, it is the intent of the Commission to waive subsequent protest and election proceedings provided that appropriate mailed notice has been given to landowners and registered voters within the affected territory pursuant to Gov. Code sections 56157 and 56663, and no written opposition from affected landowner or voters to the proposal is received before the conclusion of the commission proceedings on the proposal.

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.

APRIL 9, 2014 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 March 12, 2014 regular LAFCO meeting

SPHERE OF INFLUENCE/BOUNDARY CHANGES

6. ***LAFCO 13-08 – Northeast Antioch Reorganization (Area 2A): Annexations to the City of Antioch and Delta Diablo Sanitation District and Detachment from County Service Area P-6*** – Consider reorganization proposal of 116± acres (19 parcels) located immediately west of State Route 160 and the Antioch Bridge; and consider related actions under the California Environmental Quality Act (CEQA). ***Public Hearing – Continued from March 12, 2014 Meeting***

MUNICIPAL SERVICE REVIEWS (MSRs)/SPHERE OF INFLUENCE (SOD) UPDATES

7. ***Countywide Water/Wastewater Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates (2nd Round)*** - Receive an overview of the Public Review Draft MSR report, along with public comments. The MSR covers eight cities, 20 special districts, and a number of private agencies and mutual water companies. ***Public Hearing***

BUSINESS ITEMS

8. ***FY 2013-14 Third Quarter Budget Report*** - Receive the third quarter budget report
9. ***Legislative Report – Update and Positions*** – the Commission will be asked to provide direction regarding legislative positions on AB 2762, AB 1729 and AB 2156 and other legislative matters.
10. ***Executive Officer’s Performance Review and Compensation*** - Consider a compensation adjustment for the Executive Officer in conjunction with her recent performance review.

CORRESPONDENCE

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

INFORMATIONAL ITEMS

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

ADJOURNMENT

Next regular LAFCO meeting – May 14, 2014 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

March 12, 2014

Board of Supervisors Chambers
Martinez, CA

April 9, 2014
Agenda Item 5

1. 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, and Alternate Tom Butt.
County Member Alternate Candace Andersen.
Special District Members Michael McGill and Dwight Meadows, and Alternate George Schmidt.
Public Members Don Blubaugh and Alternate Sharon Burke.
Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda
Upon motion of McGill, second by Blubaugh, Commissioners adopted the agenda.
AYES: Andersen, Blubaugh, McGill, Meadows, Schroder, Tatzin
NOES: none
ABSENT: Glover (M), Piepho (M)
ABSTAIN: none
5. Public Comments
There were no public comments.
6. Approval of February 12, 2014 Meeting Minutes
Upon motion of Andersen, second by Tatzin, the minutes for the meeting of February 12, 2014 were approved unanimously.
AYES: Andersen, Blubaugh, McGill, Meadows, Schroder, Tatzin
NOES: none
ABSENT: Glover (M), Piepho (M)
ABSTAIN: none
7. LAFCO 13-08 – Northeast Antioch Reorganization (Area 2A): Annexations to the City of Antioch and DDS and Detachment from CSA P-6
The Executive Officer reported that this item was continued from the February 12 meeting. Staff provided a brief overview of the proposal, then summarized two new issues. Per the Commission's request, City, County and LAFCO staff attended a community meeting on February 27 at the New Bridge Marina Yacht Club. Staff provided information and responses to questions. Over 50 people attended the meeting, most of whom expressed their opposition to the reorganization.
Additionally, staff reported that following the February 12 LAFCO meeting, staff learned that County Elections miscalculated the number of registered voters in Area 2A. County Elections

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reports there are actually 13 voters instead of nine as previously reported. This makes the area “inhabited” rather than “uninhabited,” and changes the protest proceedings and thresholds.

The Chair opened the public hearing.

Don Wilson, representing the Sportsmen Yacht Club (SYC), spoke in opposition to the reorganization and presented a list of 76 signatures of those also opposed.

Freda Lucido, Board Secretary for the SYC, referenced a letter to LAFCO from Steve Klee, Chairman and Manager of the New Bridge Marina, in support of annexation to the City of Antioch. Ms. Lucido stated her disappointment in Mr. Klee’s letter, and averred that , if the septic system failed, they would get it fixed. She opposes annexation.

Maggie Sabovich, representing the Pacific Inter-Club Yacht Association, spoke against the annexation, which would impose a large financial burden on the SYC and might prevent its continued existence. When asked what financial burden would be imposed on the SYC, Ms. Sabovich cited the cost of extending the City’s services.

Victor Carniglia, representing the City of Antioch, when asked to respond, noted that the only impact on the SYC would be a proposed half-cent sales tax. Residents of the SYC already receive water from the City, and will not be required to connect to the sewer system unless they wish to do so if their current septic system fails.

Darlene Dawson, opposed to the reorganization, pointed out that she asked at the community meeting if they would have the same sort of “grandfathered” zoning ordinance allowances that Area 2B received; they were told they had “missed the boat.”

Mr. Carniglia confirmed that the latest developments in this reorganization would be brought to the Antioch City Council on March 25. Chair Meadows urged all residents of Area 2A to attend that meeting.

The Chair closed the public hearing.

Commissioner McGill asked Mr. Carniglia about the attachment referenced by Ms. Dawson. Mr. Carniglia explained that it responded to a number of residents’ concerns, which the City could address by pre-zoning. In the case of Area 2A, zoning had already been done. However, he could recommend to the City Council that it adopt a policy providing similar assurances. Commissioner McGill encouraged him to work with the City Council to come up with something like that.

Discussion ensued regarding the ramifications of the erroneous report of registered voters and what could have happened if the Commissioners had approved the reorganization only to discover this error later. LAFCO Legal Counsel Anderson responded and referenced LAFCO law.

Upon motion of Andersen, second by Blubaugh, Commissioners unanimously continued this item to the April 9, 2014 regular meeting, to be held at 1:30 p.m. in the County Board of Supervisors Chamber.

AYES: Andersen, Blubaugh, McGill, Meadows, Schroder, Tatzin
NOES: none
ABSENT: Glover (M), Piepho (M)
ABSTAIN: none

8. Proposed Budget for FY 2014-15

The Executive Officer presented the proposed budget for FY 2013-14, noting a slight increase of less than one-half of one percent due primarily to increases in personnel costs for two full-time staff members. The FY 2014-15 estimate for services and supplies will decrease due to a decrease in legal and planning costs. The proposed budget includes funding for the second round countywide EMS/fire services MSR. The year-end fund balance will be used to offset the apportioned contributions from the County, cities, and special districts. Application activity has been low, so the most significant revenues will come from those contributions.

There were no public comments.

Commissioner Blubaugh commended staff and commissioners on a job well done, and asked if there has been a set-aside of \$10,000 each year for unfunded benefit obligations. Staff responded affirmatively, noting that the 2014-15 fiscal year will bring that fund to \$40,000. Commissioner Blubaugh suggested that a footnote be added to the budget noting this.

Upon motion of Tatzin, second by Blubaugh, Commissioners unanimously approved the proposed budget for FY 2014-15; directed staff to distribute the proposed budget to the County, cities, and special districts; and scheduled a public hearing for May 14 to adopt the Final FY 2014-15 LAFCO budget.

AYES: Andersen, Blubaugh, McGill, Meadows, Schroder, Tatzin
NOES: none
ABSENT: Glover (M), Piepho (M)
ABSTAIN: none

9. Update on Contra Costa County's Emergency Medical Services Modernization Study

The Executive Officer provided an overview of two studies launched by the County, one covering CCCFPD services, and a separate study of EMS, each of which has a separate focus and scope of work supported by two distinct project teams of Fitch & Associates consultants.

The draft EMS study will be released to the public on March 24, and a town hall meeting will be held on April 9. The project team will meet with LAFCO representatives prior to the LAFCO meeting on that same date. The public comment deadline is April 18.

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

AYES: Andersen, Blubaugh, McGill, Meadows, Schroder, Tatzin
NOES: none
ABSENT: Glover (M), Piepho (M)
ABSTAIN: none

10. CCCERA Correspondence

There were no comments regarding this correspondence.

11. Commissioner Comments and Announcements

Chair Meadows congratulated Commissioner Butt on receiving the American Institute of Architects California Council's 2014 Lifetime Achievement Award for his "outstanding contributions to the improvement of the built environment."

Commissioner McGill reported that he will attend the CALAFCO Legislative Committee meeting on March 21 and that Executive Officer Teixeira will attend as well.

Commissioner Schroder explained that his green hair was part of a fundraising effort for an annual St. Baldrick's fundraiser to raise money to fight childhood cancer; the green hair will be shaved off on St. Patrick's Day.

12. Staff Announcements and Pending Projects

The Executive Officer had no comments to add to the materials provided in the agenda packet.

At 2:21 p.m., Commissioners adjourned to Closed Session to discuss employee performance evaluations.

At 2:29 p.m., Commissioners reconvened and the Chair reported that the Commissioners had nothing to report.

The meeting was adjourned at 2:30 p.m.

Final Minutes Approved by the Commission April 9, 2014.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

April 9, 2014
Agenda Item 6

April 9, 2014 (Agenda)

LAFCO 13-08 Northeast Antioch Reorganization Area 2A - Annexations to the City of Antioch and Delta Diablo Sanitation District (DDSD) and detachment from County Service Area (CSA) P-6. *This item was continued from the March 12, 2014 LAFCO Meeting*

PROPONENT City of Antioch (by Resolution)

ACREAGE & LOCATION Area 2A comprises 116± acres (19 parcels) and is located immediately west of State Route 160 (Attachment 1).

PURPOSE Provide municipal services to the area, which is largely built out with marina commercial, storage and incidental uses, along with several dwelling units.

SYNOPSIS

This is one of three separate boundary reorganization proposals submitted by the City of Antioch to annex the greater Northeast Antioch area to the City and to DDSD. Both the PG&E Reorganization (Area 1) and Northeast Antioch Reorganization Area 2B were approved by the Commission on January 8, 2014. In total, these areas comprise 678± acres and have significantly different characteristics and land uses (Attachment 2).

This report is for Area 2A, a proposal to annex 116± acres (19 parcels) to the City of Antioch and to DDSD, and detach the same area from CSA P-6, the County police district.

DISCUSSION

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

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

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

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

Area 2A is part of the City's Eastern Waterfront Employment Focus Area as identified in the City's General Plan. In 2011, the City and County formed a committee to develop and implement a joint economic development strategy for the Northeast Antioch area. This committee was instrumental in addressing some of the concerns relating to the reorganization proposals, including fiscal and infrastructure issues.

The land in Area 2A is largely built out and includes some underdeveloped properties. Existing uses are predominately marina, commercial, storage and incidental uses, along with several residential dwelling units. The City's General Plan designations for Area 2A include "Marina/Support Uses" and "Commercial." The City has rezoned Area 2A as "Urban Waterfront" and "Regional Commercial."

Surrounding land uses include the San Joaquin River to the north; Highway 160 and heavy industrial to the east; heavy and light industrial to the south; and heavy industrial to the west.

The current and proposed uses are consistent with the City's plan and rezoning designations. No changes in land uses are proposed.

Other factors relating to land use and growth that LAFCO considers in its review of a proposal are a regional transportation plan and regional growth goals and policies.

In consideration of these factors, LAFCO staff reviewed the *Plan Bay Area* which is a long-range integrated transportation and land-use/housing strategy through 2040 for the nine county San Francisco Bay Area. In July 2013, the *Plan* was jointly approved by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). The *Plan* includes the region's Sustainable Communities Strategy and the 2040 Regional Transportation Plan.

The *Plan* identifies Priority Development Areas (PDAs) - 25 in Contra Costa County, and Priority Conservation Areas (PCAs) - 12 in Contra Costa County. Area 2A is not identified as a PDA.

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

The State Department of Conservation produces a map every two years which identifies California's agricultural lands (e.g., Prime Farmland, Unique Farmland, Farmland of Statewide Importance, Farmland of Local Importance, Grazing Land, etc.) based on ratings that take into account soil quality and irrigation status.

Both LAFCO law and the California Environmental Quality Act (CEQA) provide their respective definitions of "agricultural land" and "prime agricultural land."

Under CEQA, the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance is considered a significant impact.

As noted in the City's environmental analysis, the Northeast Antioch reorganization area contains some Farmland of Statewide Importance and some Farmland of Local Importance in Areas 1 and 2B; however, there is no farmland located in Area 2A. Further, no portion of the reorganization area is under a Williamson Act Land Conservation Agreement.

4. Topography, Natural Features and Drainage Basins:

Area 2A is located just south of the San Joaquin River. A portion of Area 2A immediately adjacent to the San Joaquin River is located within a 100-year flood hazard zone. As discussed in the City environmental review, the City's project does not propose any new buildings or structures within an identified area of heightened flood risk.

The area has a relatively level topography. There are no other significant natural features affecting the proposal.

5. Population:

The area is designated primarily for marina, commercial, storage and incidental uses. There are an estimated four existing residential units in Area 2A, which appear to be caretaker quarters for existing storage facilities. Additionally, there is a small number of boat residents in the area. In accordance with the City's General Plan and zoning designations, no new residential development is proposed for this area. Thus, no increase in population is anticipated.

6. Fair Share of Regional Housing:

Pursuant to §56668 of the CKH Act, LAFCO must consider in the review of a proposal the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Regional housing needs are determined by the State Department of Housing and Community Development; the councils of government throughout the State allocate to each jurisdiction a "fair share" of the regional housing needs. Given the current and proposed land uses in Area 2A, there is no impact to regional housing needs associated with the proposed reorganization.

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

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

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

The City has provided a "Plan for Services" as required by statute. The level and range of services will be comparable to those services currently provided within the City. City services will be needed to support future development in the area. As part of the reorganization proposal, the City and County have entered into both tax sharing and infrastructure agreements.

Following annexation, the City will provide a range of municipal services to Area 2A, including police, streets and roads, street lighting, drainage, parks & recreation, library, and other services. Fire services will continue to be provided by the Contra Costa County Fire Protection District (CCCFPD).

Following annexation, the City will also provide sewer collection, and DDSB will provide sewer treatment and disposal. The City will provide retail water, and Contra Costa Water District (CCWD) will provide wholesale water to the City as summarized below. The City has existing sewer and water lines located within Area 2A that can serve the area following annexation.

Police Services – Law enforcement services are currently provided to Area 2A by the Contra Costa County Sheriff's Department. Upon annexation, police services will be provided by the City of Antioch, and the area will be detached from the County's police services district (CSA P-6).

The City's standard for providing police services is 1.2 sworn officers per 1,000 residents. By including Community Service Officers in the sworn officer category, Antioch has maintained this ratio. Police response times are dependent on the agency's staffing level and size of the jurisdiction served. The Antioch General Plan establishes a response time goal of 7-8 minutes for Priority 1 (emergency) calls. The Antioch Police Department reports that the average response time is 11 minutes due to a lack of staffing. The City's CEQA document concludes that the three Northeast Antioch annexation areas would not significantly impact or worsen the ratio of police staff to population or adversely affect the response times.

Streets and Roads – The City indicated that the road network is already in place in Area 2A. The City anticipates that as development occurs in Northeast Antioch, appropriate frontage improvements will be made to existing public streets in this area. The City currently maintains 314 total centerline miles; 669 total lane miles. There is one mile of public streets within Area 2A that would be added to the City's road inventory following annexation.

Street Lighting - The City reports that there are several existing street lights in Area 2A in close proximity to Highway 160, which are installed and maintained by Caltrans. Any new street lights installed in Area 2A would be in conjunction with new development.

Drainage – The City indicates that there are currently no drainage facilities that serve the annexation area; however, there are two large storm drain trunk lines that cross Wilbur Avenue and drain into the San Joaquin River. The extent and location of any storm drainage improvements in Area 2A will depend on future development in the area. Capacity in the existing storm drain lines is limited, and significant new development within the Northeast Antioch reorganization area will require construction of a new outfall to the San Joaquin River. All new development in the annexation area must comply with provisions of various municipal, regional, State and federal requirements, including measures to remove pollutants from stormwater for compliance with the federal Clean Water Act and the National Pollution Discharge Elimination System (NPDES).

Parks & Recreation – The City of Antioch has 33 parks. The City's General Plan Performance Standards for parks propose five acres of improved public and/or private neighborhood parks and public community parkland per 1,000 residents, including appropriate recreational facilities. The City exceeds this standard when the trail system, the Costa Loma Regional Park, and the Lone Tree Golf Course are factored in. There are currently no public parks in the Northeast Antioch reorganization area.

The City operates a comprehensive recreation program including aquatics, sports, leisure time activities, community and cultural events, Prewett Family Water Park, Senior Center, youth activities, excursions, and 300 instructional programs for pre-school, youth, adult, seniors, and on-line.

The annexation is not expected to create any significant demand on the City's existing parks & recreation facilities and programs due to the limited number of residents in the area.

Other Services – The City provides a multitude of other services, including art & cultural, capital improvements, code enforcement, landscape maintenance, library and special services which will be extended to Area 2A following annexation.

Fire Protection – Fire and emergency medical services are, and will continue to be, provided by CCCFPD following annexation. There are four fire stations located in Antioch. Station 81 is located in the downtown area at 315 W. 10th Street; Station 82 is located at 196 Bluerock Drive, just west of Lone Tree Way in the south central portion of the City; Station 83 is located at 2717 Gentrytown Drive, just south of Buchanan Road in the western portion of the City; and Station 88 is located at 4288 Folsom Drive, just east of Hillcrest Avenue in the eastern portion of the City.

The City's CEQA document concludes that the annexation will result in no change to fire services and no impacts will occur.

Sewer Services – The City provides wastewater collection services, while DDS D provides conveyance, treatment and disposal services to the City.

Currently, Area 2A is served by onsite septic systems. Following annexation, municipal wastewater services will be available to the area. The existing sewer line in Wilbur Avenue, which runs along Area 2A's Wilbur frontage, was installed by PG&E in conjunction with LAFCO's previous Out of Agency service approval; the line was later extended by NRG. Given that the existing Wilbur sewer line is at the "doorstep" of the Area 2A properties, connecting to this sewer line will be straightforward. It should be noted that there are a number of deep parcels in the area that will require lengthy connections, some as long as 1,000 lineal feet.

The City's current population is 105,117 residents in a 28 square-mile service area. The City's wastewater collection system consists of 319 miles of gravity pipeline with three pump stations.

DDS D serves the cities of Antioch and Pittsburg and the unincorporated community of Bay Point. DDS D serves a population of approximately 190,567 residents in a service area of 49+ square miles. DDS D has over 49 miles of sewer main and five pump stations. The District's treatment plant capacity is 16.5 million gallons per day (mgd); in 2012, the average dry weather flow (ADWF) was 14.2 mgd.

Regarding capacity, the City's existing ADWF is 7.4 mgd; and the future ADWF is 10.7 mgd. The City estimates that the future peak dry weather flow (PDWF) is 16.8 mgd. DDS D allows an ADWF of 16.5 mgd. As noted above, during 2012, the ADWF influent to the treatment plant was 12.7 mgd; in 2005 and 2010, the ADWF influent to the treatment plant was 14.2 mgd and 13.2 mgd, respectively. It is estimated that all three reorganization areas (Areas 1, 2A, 2B) have an existing estimated ADWF of 2.42 mgd which will increase to 3.71 mgd at buildout.

Both the City and DDS D indicate that they have the capacity to serve the Northeast Antioch reorganization area.

8. **Timely Availability of Water and Related Issues:**

Pursuant to the CKH Act, LAFCO must consider the timely and available supply of water in conjunction with a boundary change proposal. In accordance with Contra Costa LAFCO

policies, any proposal for a change of organization that includes the provision of water service shall provide information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The City provides water treatment and distribution services, with 328 miles of main, seven pump stations and 11 reservoirs. The City obtains a majority of its water supply from CCWD, along with diversions from the San Joaquin River.

CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch. CCWD serves approximately 500,000 (61,085 water connections). The primary sources of water are the U.S. Bureau of Reclamation Central Valley Water Project and delta diversions.

Regarding the water distribution system, the City currently has existing "looped" water mains located in the Northeast Antioch annexation area, consisting of a 16-inch main that runs north/south along the length of Viera Avenue, a 12-inch water line that runs east/west along the length of Wilbur Avenue through Area 1, and 12-inch and 16-inch water lines that run along East 18th Street. Also, there is an existing 8-inch water line in Bridgehead Road that can serve properties in that area. These existing water lines provide the backbone of a future water delivery system that will ultimately be developed to serve properties and businesses located in the Northeast Antioch reorganization area.

The City, in its Water Master Plan, examined the City's ability to serve all three subareas. The analysis confirms that, given the City's allocation of raw water and the City's rights to future water supplies of raw water, and based on the City's current and planned treatment capacity, the City has the ability to provide potable water to all three subareas based on the level of existing and future development.

The City reports that most of the existing uses in Area 2A currently have City water; and that these water service connections pre-date LAFCO.

9. Assessed Value, Tax Rate Areas and Indebtedness:

The annexation area is within tax rate area 53004. The total assessed value (secured and unsecured) is \$18,346,281 (2013-14 roll). The territory being annexed shall be liable for all authorized or existing taxes comparable to properties presently within the annexing agencies, if applicable.

10. Property Tax Exchange

Revenue and Taxation Code §99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change. Both the City and County have adopted resolutions approving a tax revenue allocation agreement covering all three annexation areas.

11. Environmental Impact of the Proposal:

The City of Antioch, as Lead Agency, prepared and adopted the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration (IS/MND). The City's IS/MND identified potentially significant impacts resulting from Air Quality, Biological Resources, Cultural Resources, Hazards & Hazardous Materials and Noise. Mitigation measures have been provided for each potentially significant impact, reducing all to a less than significant level. Copies of the City's document were previously provided to Commissioners and are available for review in the LAFCO office. The LAFCO Environmental Coordinator finds the City's CEQA document sufficient for LAFCO purposes.

12. Landowner Consent and Consent by Annexing Agency:

At the February 12 LAFCO hearing, members of the Sportsman Yacht Club advised LAFCO that they did not want to be annexed to the City of Antioch. At the direction of the Commission, City, County and LAFCO staff met with members of the yacht club and property owners and residents of Area 2A to hear their concerns. A community meeting was held on February 27 at 6:30 p.m. at the New Bridge Marina Yacht Club, located in Area 2A. There were over 50 attendees at the meeting. City staff prepared a Frequently Asked Questions (FAQ) Concerning Annexation which was distributed at the community meeting. At the meeting, City, County and LAFCO staff addressed a range of issues and questions. City staff responded to questions relating to water and sewer services, utility connection fees/rates and potential funding/grant options, zoning and land use, police and marine patrol services, the City's ability to serve the area, curbs and sidewalks, access roads and easements, code enforcement and eminent domain. County staff provided information regarding environmental health and septic system requirements. LAFCO staff provided information regarding LAFCO's role, mission and authority, LAFCO proceedings, protest thresholds, islands and Disadvantaged Unincorporated Communities (DUCs). The majority of attendees indicated opposition to the annexation.

At the March 12 LAFCO meeting, there were public comments and concerns regarding potential fiscal impacts to the residents of Area 2A following annexation, and requirements to connect to the City's water and sewer systems.

As explained in the FAQ and by City staff, there are no additional taxes or assessments associated with annexation. In November 2013, the Antioch voters passed a ½ cent temporary sales tax. The impact of this sales tax is insignificant given the lack of retail uses in Area 2A. As a sales tax, it would be paid by a customer buying a product or merchandise sold within Area 2A.

Regarding connection to the City's water and sewer utilities, City staff indicates that all of the property owners in Area 2A have City water service, and that all developed properties within Area 2A currently rely on onsite septic systems to handle wastewater flow. Many of these septic systems have been in operation for decades (in some cases 50 years). The age of the septic systems, as well as the proximity of Area 2A to the San Joaquin River and the high water table in the area, are cause for concern. Following annexation, property owners will have the ability to hook up to the City's sewer system, which is one of the benefits of annexation.

City staff explains that most properties within Area 2A will **not** be required to be hook up to City sewer, unless they are located a close distance from an existing sewer line. Annexation will give property owners the option to hook up, which would not otherwise exist without annexation. The City's existing ordinance stipulates that any property in the City with a septic system that is located with 200 feet of a City sewer line is required within 30 days to hook up to the sewer line. The distance is measured from the location of the sewer connection in the building to the sewer line. Most properties in Area 2A would not be impacted by this requirement, given how far they are located from the Wilbur sewer line.

In addition, after the February 12 LAFCO meeting, County Elections advised LAFCO that they had miscalculated the number of registered voters in the annexation area. County Elections reports that there are 13 voters in the annexation area, instead of nine, as previously reported. This makes the area "inhabited" instead of "uninhabited" as previously reported, and changes the protest proceedings and thresholds. Thus, the Commission's action is subject to notice, hearing, as well as protest proceedings. If the Commission approves the annexation as proposed, a subsequent notice and protest hearing will follow. Authority to conduct the protest hearing has been delegated to the LAFCO Executive Officer.

13. Boundaries and Lines of Assessment:

Area 2A is contiguous to existing City of Antioch boundary. A map and legal description to implement the proposed boundary change have been received and are subject to approval by the County Surveyor.

On January 8, 2014, the Commission approved the annexation of Area 1, which is adjacent to Area 2A. The annexation of Area 2A will prevent the area from becoming an island, which would be surrounded by the City of Antioch to the west and south, the City of Oakley to the east, and the San Joaquin River to the north.

14. Environmental Justice

One of the factors LAFCO must consider in its review of an application is the extent to which the proposal will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

15. Disadvantaged Communities

In accordance with recent legislation (SB 244), local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County and City Planning Departments, the annexation area does not meet the criteria of a DUC.

16. Comments from Affected Agencies/Other Interested Parties

On April 8th, the Antioch City Council will receive an update on the Northeast Antioch boundary reorganization, including a list of "goals" pertaining to Area 2A. In response to concerns expressed by the Sportsman Yacht Club members at the February 27th community meeting and at the LAFCO meetings, and with the encouragement of the Commission, City staff developed a set of "goals," similar in concept to what was previously prepared for Area 2B. These "goals" cover a range of issues aimed at grandfathering in existing 2A landowners and residents, including land use and zoning designations and connection to the City's sewer system. The "goals" are intended to provide clarity to these issues and address the concerns of the affected landowners and residents. At the LAFCO meeting on April 9th, City staff will report to the Commission the outcome of the City Council's discussion/actions of April 8th.

Members of the Sportsman Yacht Club expressed their opposition to the annexation at the February 12 and March 12 LAFCO meetings and at the community meeting on February 27.

On February 26, 2014, LAFCO received a letter from Steve Klee, Chairman and General Manager, The New Bridge Marina, Inc., expressing support for the proposed boundary change.

ALTERNATIVES FOR COMMISSION ACTION

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

- Option 1** Reopen public hearing to accept additional evidence and public comment, if any; close the public hearing and approve the reorganization as submitted by the City.
- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration as prepared and adopted by the City of Antioch.
 - B. Adopt this report, approve the attached resolution (Attachment 3), and approve the proposal, to be known as **Northeast Antioch Reorganization (Area 2A) - Annexations to the City of Antioch and Delta Diablo Sanitation District (DDSD) and detachment from County Service Area P-6** subject to the following:
 - 1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 - C. Find that the subject territory is inhabited, and the reorganization is subject to a subsequent conducting authority (protest) hearing.
- Option 2** Reopen public hearing to accept additional evidence and public comment, if any; close the public hearing and approve the boundary reorganization *as modified by the Commission*. LAFCO may, at its discretion, modify the boundary of any proposal. The Commission may choose to remove any parcel or parcels from the proposal.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration as prepared and adopted by the City of Antioch.
- B. Adopt this report, approve the attached resolution (Attachment 3), and approve the proposal, to be known as **Northeast Antioch Reorganization (Area 2A) - Annexations to the City of Antioch and Delta Diablo Sanitation District (DDSD) and detachment from County Service Area P-6** subject to the following:
 - 1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
- C. Find that the subject territory is inhabited, and the reorganization is subject to a subsequent conducting authority (protest) hearing.

Option 3 Reopen public hearing to accept additional evidence and public comment, if any; close the public hearing and take the following actions:

- A. Certify it has reviewed and considered the information contained in the City's Mitigated Negative Declaration.
- B. Adopt this report and DENY the proposal.

Option 4 If the Commission needs more information, CONTINUE this matter to a future meeting. The LAFCO hearing may be continued from time to time but absent unusual circumstances, the continuance should not be longer than 70 days from the date specified in the original notice (Gov. Code section 56666). That 70 day period expires on April 21, 2014. The Commission could either schedule a special meeting prior to April 21st, or terminate the current public hearing and re-initiate the public hearing process in May.

RECOMMENDED ACTION:

Option 1

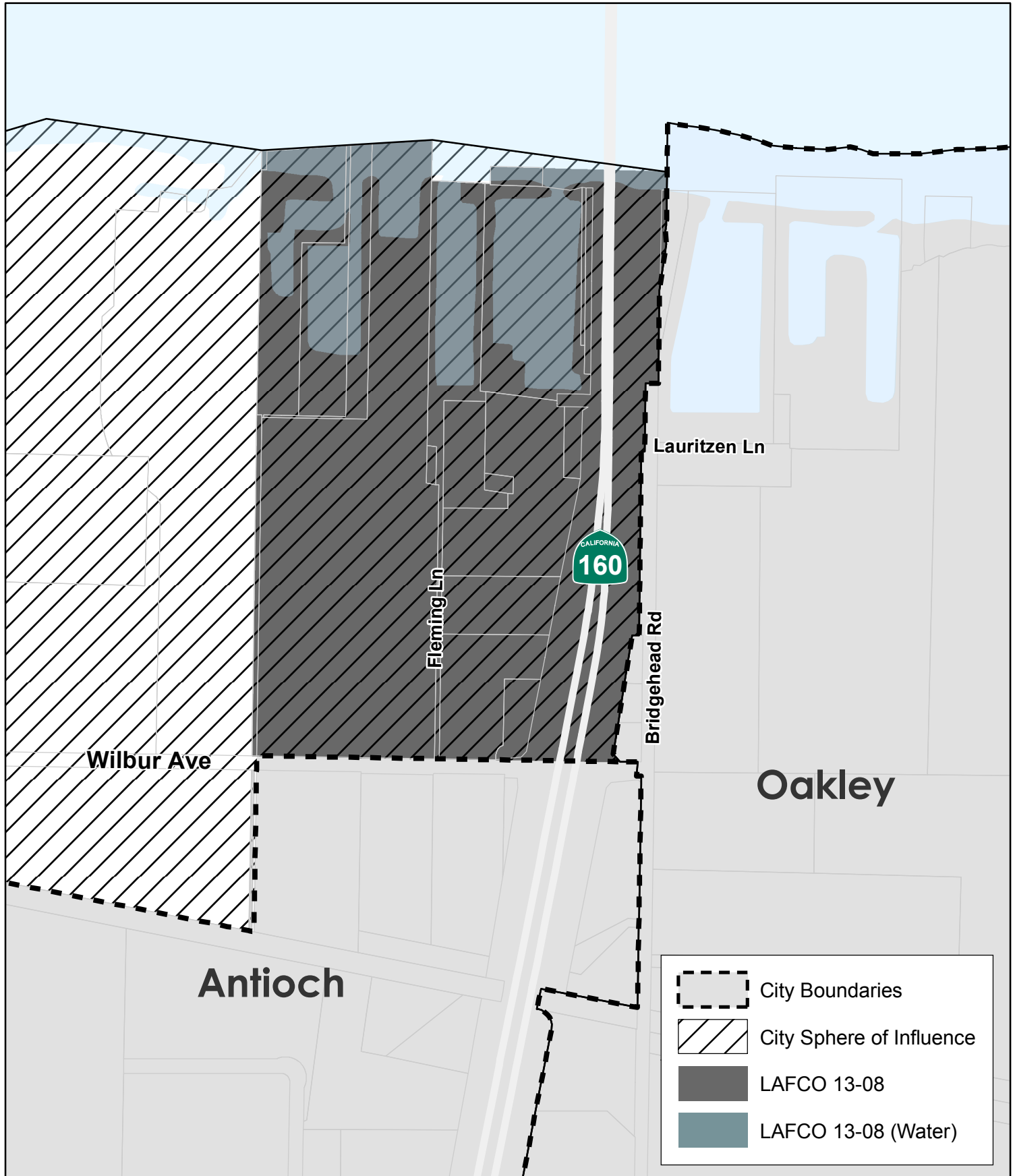
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

c: Distribution

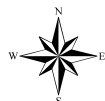
Attachments

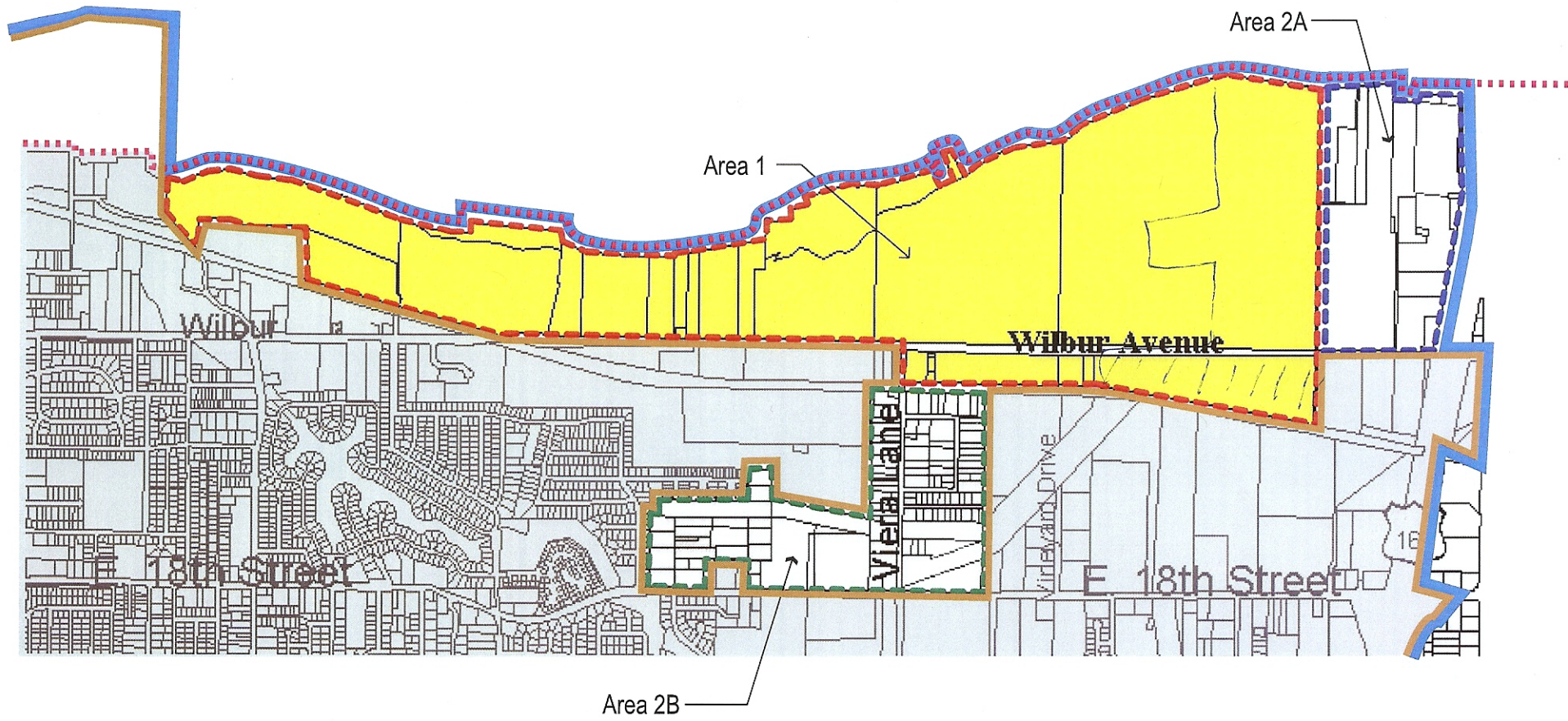
- 1. Map of Area 2A Reorganization
- 2. Map of Northeast Antioch (Areas 1, 2A and 2B)
- 3. Draft LAFCO Resolution – Area 2A

LAFCO No. 13-08 Northeast Antioch Area 2A Reorganization Annexations to City of Antioch and Delta Diablo Sanitation District Detachment from CSA P-6



	City Boundaries
	City Sphere of Influence
	LAFCO 13-08
	LAFCO 13-08 (Water)





LEGEND

- Urban Limit Line
- City Sphere of Influence (SOI)
- City Boundary
- DDSD Service Boundary and SOI
- Area 1
- Area 2A
- Area 2B

EXHIBIT 2
 Current Administrative Boundaries
 Industrial Areas Along Wilbur Avenue –
 Administrative Reorganization

RESOLUTION NO. 13-08

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
NORTHEAST ANTIOCH REORGANIZATION AREA 2A: ANNEXATIONS TO THE
CITY OF ANTIOCH AND DELTA DIABLO SANITATION DISTRICT AND
DETACHMENT FROM COUNTY SERVICE AREA P-6**

WHEREAS, the Area 2A reorganization (marina area) proposal has been filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); 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 Area 2A proposal; and

WHEREAS, the Commission held public hearings on February 12, 2014, March 12, 2014, and April 9, 2014 on the Area 2A proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the Area 2A proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the Local Agency Formation Commission determines the Area 2A proposal to be in the best interests of the affected area and the total organization of local governmental agencies within Contra Costa County;

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

1. The Commission finds that as a Responsible Agency under the California Environmental Quality Act (CEQA), it has reviewed and considered the information contained in the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration as prepared and adopted by the City of Antioch.
2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:

**NORTHEAST ANTIOCH REORGANIZATION AREA 2A: ANNEXATIONS TO THE
CITY OF ANTIOCH AND DELTA DIABLO SANITATION DISTRICT AND
DETACHMENT FROM COUNTY SERVICE AREA P-6**

4. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.

Contra Costa LAFCO
Resolution No. 13-08

5. The subject territory shall be liable for any authorized or existing taxes, charges and assessments comparable to properties within the annexing agency.
6. The City of Antioch delivered an executed indemnification agreement between the City and Contra Costa LAFCO providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the Area 2A reorganization.
7. The territory proposed for reorganization is inhabited and is subject to conducting authority (protest) proceedings.
8. All subsequent proceedings in connection with the Area 2A reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

* * * * *

PASSED AND ADOPTED THIS 9th day of April 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

DWIGHT MEADOWS, CHAIR, CONTRA COSTA LAFCO

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

Dated: April 9, 2014

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
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

April 9, 2014 (Agenda)

April 9, 2014
 Agenda Item 7

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

**Countywide Water/Wastewater Municipal Service Review and
 Sphere of Influence Updates (2nd Round) – Public Review Draft**

Dear Commissioners:

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that not less than every five years, LAFCO prepare municipal service reviews (MSRs) prior to or in conjunction with sphere of influence (SOI) updates.

MSRs provide an assessment of the range and adequacy of municipal services provided in the County, and serve as an important tool for LAFCO in fulfilling its legislative mandate to coordinate the efficient and logical development of local government agencies and services. The MSR serves as a basis for SOI updates and future boundary changes.

In April 2013, Contra Costa LAFCO completed its inaugural MSRs/SOI updates covering 19 cities and 74 special districts. The first round MSRs included a combination of service-specific (countywide), sub-regional, and agency-specific reviews.

In August 2013, LAFCO embarked on its second round MSR covering water and wastewater services as discussed below.

SUMMARY

The second round, countywide water/wastewater MSR covers eight cities, 20 special districts, and one private water company. This MSR also includes a review of three multi-county districts (Alameda and San Joaquin LAFCOs are the principal LAFCOs) and a discussion of private mutual water companies based on newly enacted legislation.

GST Consulting (Gary Thompson, Bob Aldrich, Harry Ehrlich) was hired to prepare the MSR report. The MSR process involved distribution of an initial Request for Information (RFI) by LAFCO staff which focused on significant changes (e.g., fiscal, regulatory, etc.) since the last MSRs in 2007-08, along with requests for updates on issues identified in the inaugural MSRs.

Following the initial RFI, the project team coordinated with the local agencies to verify information and provide each agency with preliminary findings and individual draft agency reports to facilitate an inclusive and cooperative process.

On March 5th, the Public Review Draft MSR report was released. The report was posted on the LAFCO website (www.contracostalafco.org), and agencies and interested parties were notified of the availability of the report and comment period, which ended on March 26. A number of agencies responded. A summary of the comments received and responses to comments will be presented at the April 9th LAFCO meeting.

At the LAFCO meeting on April 9th, the consultants will provide an overview of the MSR report and findings, share comments received to date, and receive additional comments from the public and the Commission. The consultants have grouped the agencies into three categories: cities, special districts with minor issues, and special districts with significant issues. The presentation will also cover agency finances, disadvantaged unincorporated communities (DUCs), mutual water companies and other issues.

The Commission will be asked to set a public hearing for May 14, at which time the Commission will consider accepting the Final MSR report, adopting the required determinations, and updating the SOIs for a number of the special districts covered in the MSR.

DISCUSSION

Municipal Service Review - The countywide water/wastewater MSR (2nd round) covers 29 agencies, and focuses on significant changes since the last MSRs in 2007-08, along with updates on issues identified in the inaugural MSR.

In accordance with the MSR, LAFCO must prepare written determinations relating to various factors including the following:

- Growth and population projections
- The location and characteristics of any DUCs within or contiguous to the sphere of influence
- 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 DUCs within or contiguous to the sphere of influence
- Financial ability of agencies to provide services
- Status of and opportunities for shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission policy

The MSR process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of service. However, as a result of the MSR, LAFCO may update/amend an SOI and/or initiate a change of organization or reorganization. The MSR report provides governance and SOI/boundary options, which may be used to support future changes of organization by the Commission.

Sphere of Influence Updates – The MSR serves as a basis for SOI updates and future boundary changes. On April 9th, the consultants will review major findings and significant issues, along with governance options and SOI recommendations.

SOI recommendations for the eight cities are not included in this MSR. Further, the MSR does not include SOI recommendations for the three multi-county districts (Byron Bethany Irrigation

District, Dublin San Ramon Services District, East Bay Municipal Utility District), as Contra Costa LAFCO is not the principal LAFCO for these districts.

The consultants will review the SOI recommendations at the April 9th LAFCO meeting. A full discussion of governance and SOI options is included in the MSR report. LAFCO staff will provide its recommendations to the Commission in May, at which time the Commission will be asked to accept the Final MSR report, make the required determinations, and update the SOIs.

Agency Overview

The following is a brief description of the agencies covered in the MSR report. The consultants will provide additional information at the LAFCO meeting on April 9th. For a full discussion, please refer to the MSR report, which can be found on the LAFCO website (http://www.contracostalafco.org/municipal_service_reviews.htm).

City of Antioch – The City provides retail water service. The City’s primary sources of water include the Sacramento/San Joaquin River Delta and Contra Costa Canal via Contra Costa Water District (CCWD) facilities. The City also provides wastewater collection and conveyance services; Delta Diablo (DD) provides wastewater treatment and disposal. The City’s service area is the City of Antioch and a few areas outside the City limits. The MSR provides several recommendations, including annexing small islands (i.e., County fairgrounds and landfill), and studying potential consolidation with Delta Diablo.

City of Brentwood – The City provides retail and wholesale water service. The City’s primary sources of water include the San Joaquin Basin and San Joaquin River Delta through agreement with East Contra Costa Irrigation District. Brentwood also has an option to purchase treated water from CCWD. The City also provides wastewater collection, conveyance, treatment and disposal services. The City’s service area is the City of Brentwood and two parcels outside the City limits. It is recommended that the City annex these parcels.

City of Concord - The City provides wastewater collection and conveyance services; Central Contra Costa Sanitary District (CCCSD) provides wastewater treatment and disposal. The City’s service area includes the cities of Concord and Clayton and some areas outside the City limits including the Ayers Ranch island. It is recommended that the City annex the Ayers Ranch area.

City of Hercules – The City provides wastewater collection and conveyance services within the City’s boundary. Treatment is provided at the Pinole-Hercules Wastewater Treatment Plant (WWTP). The cities of Hercules and Pinole each have a 50% ownership in the WWTP; Pinole is the designated operator.

City of Martinez – The City provides retail water service and purchases its water from CCWD. The City’s service area includes about 75% of the City’s corporate boundaries, unincorporated areas to the northeast, southeast and southwest, and some parcels within the northwest portion of the City of Pleasant Hill. The MSR provides several recommendations, including annexing areas receiving water service, and studying potential consolidation with Contra Costa Water District.

City of Pinole – The City provides wastewater collection and conveyance services within the City boundary. Treatment is provided at the Pinole-Hercules Wastewater Treatment Plant (WWTP). The cities of Hercules and Pinole each have a 50% ownership in the WWTP; Pinole is the designated operator.

City of Pittsburg – The City provides water treatment and distribution; untreated water is purchased from CCWD and treated at the City’s Water Treatment Plant. Water supplies are supplemented by locally produced groundwater. The City also provides wastewater collection services. Wastewater is discharged into DD’s system for treatment and disposal. The City is providing service to one customer outside the City limits. The MSR recommends that the City study potential consolidation with DD.

City of Richmond - The City provides wastewater service to a majority of the City’s residents (65% or 68,000) within Richmond. Abutting the City’s service area, West County Wastewater District (WCWD) provides sewer collection service to a small portion of the City on the northern border of the City, adjacent to the City of San Pablo; and Stege Sanitary District (SSD) collects wastewater for a portion of the City in the eastern hills, adjacent to the City of El Cerrito.

Byron Bethany Irrigation District (BBID) – BBID provides agricultural water service in addition to delivering raw untreated water to the Mountain House community and the City of Tracy. BBID is a multi-county district serving portions of Alameda, Contra Costa and San Joaquin counties. San Joaquin is the principal county for LAFCO proceedings.

This is the first MSR prepared by any of the three LAFCOs for BBID. An overlap in service boundaries between BBID and the Town of Discovery Bay Community Services District was identified as part of this MSR. While Contra Costa LAFCO is not the principal LAFCO, this is an important issue which should be addressed. The MSR also suggests potential consolidations with East Contra Costa Irrigation District and/or BSD be studied.

Byron Sanitary District (BSD) - BSD provides wastewater collection, treatment and disposal services. BSD services 173 connections and serves a population of 995. BSD also provides service to the Orrin Allen Youth Rehabilitation Facility, which is outside the BSD boundary. The MSR recommends expanding the District’s SOI to include this area.

Castle Rock County Water District (CRCWD) – CRCWD is a small, independent water district serving a rural unincorporated community near the City of Walnut Creek. The District has 55 connections providing untreated water for landscape irrigation, some commercial uses and four commercial stables. CRCWD purchases untreated water from CCWD pumped from an open canal. Approximately 20% of CRCWD’s customers use the water in their own homes and are responsible for all water treatment. CRCWD’s service area is 150± acres. As part of this MSR, we learned that CRCWD is a special district under LAFCO’s jurisdiction.

Central Contra Costa Sanitary District (CCCSD) – CCCSD provides wastewater collection and treatment to over 467,500 residents and 3,000 businesses, covering a 144-square mile area. Cities and communities served by CCCSD include Danville, Lafayette, Moraga, Orinda, Pleasant Hill and Walnut Creek, portions of Martinez and San Ramon, and other unincorporated areas within the central portion of the County. CCCSD also receives and treats wastewater from the collection systems of the City of Concord and the City of Clayton. Since the 2008 MSR, CCCSD has made significant progress and is nearing completion of its out of agency service and boundary clean-up.

Contra Costa Water District (CCWD) – CCWD provides whole and retail water to most of central and northeastern Contra Costa County, and serves over 500,000 people. The District’s untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg and portions of

Brentwood and Martinez; the treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill and Walnut Creek. CCWD also provides wholesale treated water to Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and Antioch. The District's primary source of water is the U.S. Bureau of Reclamation's Central Valley Project (CVP). The MSR recommends removing the Veale Tract from the District's SOI.

County Sanitation District No. 6 (SD No. 6) – SD No. 6 is a dependent special district that was formed in 1992 to provide wastewater service to the Stonehurst subdivision, now located within the City of Martinez. Stonehurst consists of 47 parcels and was primarily developed during the 1980s. Approximately 100 residents live within the community. SD No. 6's boundaries comprise 115± acres. As part of its 2008 MSR, LAFCO designated a zero SOI for SD No. 6 signifying future dissolution and consolidation with a municipal sewer service provider (e.g., CCCSD). The on-site septic system is considered temporary. Maintaining the existing system of septic tanks/on-site treatment and disposal is not a viable, long-term option. SD No. 6 is ordered by the State to connect to a municipal wastewater service provider when service is available. It is recommended that SD No. 6 provide LAFCO with regular status reports.

County Service Area M-28 (CSA M-28) – CSA M-28 provides water service (well with reverse osmosis) to the Willow Mobile Home Park located on the eastern edge of Bethel Island. The service area is 23± acres. The mobile home park, containing 172 mobile homes and about 275 residents, is considered fully developed. The area is considered a DUC. The water system is in need of significant upgrades. Following the MSR in 2007, LAFCO assigned a zero SOI for CSA M-28 signifying future dissolution and consolidation with an alternative service provider. Since 2007, the County has pursued various governance and service options, including consolidating CSA M-28 with DWD, transfer of the system to the property owner, grant opportunities and service options. It is recommended that CSA M-28 provide LAFCO with regular status reports.

Crockett Community Services District (CCSD) – CCSD was formed in 2006 through the reorganization of three agencies: Crockett-Valona Sanitary District, County Sanitation District No. 5 (Port Costa) and County Service Area P-1. CCSD serves two separate and distinct communities – Crockett and Port Costa – and is authorized to provide wastewater collection, treatment and disposal; community recreation services; street lighting; landscape maintenance; and, graffiti abatement. The MSR recommends expanding CCSD's SOI to include one parcel that is currently being served outside CCSD's boundary, and that annexation should be pursued.

Delta Diablo (Sanitation District) (DD) – DD provides wastewater collection services for the unincorporated community of Bay Point and the cities of Antioch and Pittsburg. DD serves a population of 190,567 residents in a service area of 52± square miles. The MSR suggests that consolidation of DD and the cities of Antioch and Pittsburg should be studied.

Diablo Water District (DWD) – DWD collects, treats and supplies water for customers and the parks, schools and businesses throughout a 21-square mile service area. DWD currently serves 40,893 residents, including the City of Oakley and other unincorporated areas including portions of Knightsen. The District's primary sources of water include CVP (purchased from CCWD) and groundwater extracted from San Joaquin Valley Basin. The MSR recommends expanding the District's SOI to include the Liberty Union High School site and all of Bethel Island.

Dublin San Ramon Services District (DSRSD) – DSRSD is a multi-county district serving Alameda and Contra Costa counties, including Dublin, the Dougherty Valley, U.S. Army Reserve Forces Training Area (Camp Parks), Federal Correctional Institution at Dublin, and Alameda County's Santa Rita Jail. The District provides water supply, recycling, sewer collection, treatment and disposal services. Within Contra Costa County, DSRSD provides wastewater collection/treatment to the southern portion of San Ramon and water/recycled water services to the Dougherty Valley area. Alameda is the principal county for LAFCO proceedings.

East Bay Municipal Utility District (EBMUD) – EBMUD provides wholesale water, retail water, wastewater collection and wastewater treatment services for an area of 331± square miles in Alameda and Contra Costa counties. EBMUD provides potable water to approximately 1.3 million people within the two-county service area, and wastewater treatment to an estimated 650,000 residential customers and 20,000 businesses and industrial users. The District's primary source of water is the Mokelumne River watershed. Within Contra Costa County, EBMUD provides water service in a 146±-square mile service area to 477,212 residents. In 1944, EBMUD added wastewater collection to its services with the formation of Special District No. 1 (SD-1). SD-1 provides service within Alameda and Contra Costa counties to an area of 88± square miles. Within Contra Costa County, EBMUD provides wastewater service to 28,107 customers located in the City of El Cerrito, the unincorporated community of Kensington and a portion of the City of Richmond. Alameda is the principal county for LAFCO proceedings.

East Contra Costa Irrigation District (ECCID) – ECCID supplies irrigation water for agricultural, landscape and recreational uses, as well as raw water for treatment and delivery to urban areas. ECCID's boundary includes the City of Brentwood, portions of the cities of Oakley and Antioch, unincorporated areas south and east of Brentwood, and the unincorporated community of Knightsen. ECCID's service area is 40± square miles. Regarding water supply, the District diverts water from Indian Slough on Old River. The MSR suggests that consolidation with BBID be studied.

Golden State Water Company (GSWC) – GSWC is included in the MSR for informational purposes, as LAFCO has no jurisdiction over this agency. GSWC is an investor-owned, public utility company regulated by the California Public Utilities Commission (CPUC). GSWC owns and operates 38 water systems throughout 75 cities and 10 counties in California. GSWC serves the unincorporated community of Bay Point, with a current population of 23,276, and a service area of 7.4 square miles. Bay Point is characterized by a mixture of residential and commercial land uses. Water sources include local groundwater (6- 8% of supply) and water purchased from CCWD (92-94% of supply).

Ironhouse Sanitary District (ISD) – ISD provides sewage collection, treatment and disposal services to the City of Oakley, Bethel Island, and other unincorporated areas of the County. ISD serves nearly 40,000 customers in a service area of 37± square miles. The MSR recommends expanding the District's SOI to include the Liberty Union High School site.

Knightsen Town Community Services District (KCSD) – KCSD was formed in 2005 to provide flood control and water quality (drainage services) for the unincorporated community of Knightsen, which is an area of low elevation that receives runoff flow from nearby areas. The area is largely agricultural, with an estimated population of 1,568 residents. The area is in need of detention basins and facilities to treat storm water runoff. The 2008 MSR identified concerns

with the District and lack of services/programs. KCSO does not currently provide any physical services related to its original purpose due to a lack of funds to construct the facilities. KCSO owns no physical assets or improvements. KCSO continues to seek funding and recently partnered with a habitat conservancy group to apply for grant funding opportunities. The MSR recommends adopting a zero SOI and consideration of an alternative governance option, including dissolution and transfer of service responsibilities to another local agency (e.g., Contra Costa Resource Conservation District, the County, a CSA). The MSR also recommends that the District provide progress reports to LAFCO every six months.

Mt. View Sanitary District (MVSD) – MVSD provides wastewater collection, treatment, and disposal services for the northeasterly portion of the City of Martinez and adjacent unincorporated areas to the northeast. MVSD collaborates with CCCSD to provide a permanent Household Hazardous Waste Collection facility and disposal services for the central portion of the County. MVSD serves 18,253 residents in a service area of 4.73± square miles.

Rodeo Sanitary District (RSD) – RSD provides wastewater collection, treatment, and disposal to the unincorporated communities of Rodeo and Tormey. RSD's boundary includes 1.4± square miles; the District serves 2,500 residential and commercial customers, and an estimated population of 8,000. RSD has made significant progress in addressing the SOI and boundary issues in the 2008 MSR. The Rodeo marina area was annexed to the District, and the Bayo Vista Housing Authority annexation is currently pending.

Stege Sanitary District (SSD) – SSD provides collection, treatment and disposal of wastewater to an area of 5.7± square miles, including the communities of El Cerrito, Kensington, and a portion of the Richmond Annex community. The District provides service to about 33,000 people with approximately 13,000 sewer connections. SSD also serves 101 homes outside the District's boundary by contract with the City of Richmond.

Town of Discovery Bay Community Services District (TODBCSD) – TODBCSD is authorized to provide water and wastewater services, parks and park maintenance services, landscaping and recreation services. TODBCSD also provides flood control in specified areas. The service area is 5,760± acres. The District has 5,523 connections (residential, commercial, irrigation) and serves an estimated population of 13,500. Two new residential development projects, Newport Point (67 homes) and Pantages Bay (292 homes), were recently approved by the County and will ultimately need TODBCSD services and LAFCO approval (SOI amendments and annexations). An overlap in service boundaries between BBID and TODBCSD was identified as part of this MSR. While Contra Costa LAFCO is not the principal LAFCO, this is an important issue that should be addressed.

West County Wastewater District (WCWD) – WCWD provides wastewater collection, treatment and disposal services to a 16.9-square mile service area, including the City of San Pablo, portions of cities of Richmond and Pinole, and surrounding unincorporated areas. WCWD serves approximately 93,000 customers with 34,275 connections (residential, commercial, industrial). The District is serving properties outside its boundary and is encouraged to annex these properties.

Mutual Water Companies

Recent legislation (AB 54) imposed new requirements on LAFCOs and on those mutual water companies (MWCs) that own and operate a public water system. The requirements are intended to improve access to information about the location of MWCs and the quality of water they provide. Contra Costa LAFCO has identified 28 MWCs that meet the AB 54 requirements. LAFCO has collected information regarding services, boundaries, infrastructure, water quality, fiscal and other information from those MWCs that responded to LAFCO's request for information. Most of the MWCs are located in eastern Contra Costa County, with the majority (15) located on Bethel Island. Service connections range from a low of seven to a high of 190.

RECOMMENDATIONS

1. Receive LAFCO staff and consultants report,
2. Accept public comments and provide Commission comments, and
3. Direct staff to set a public hearing for May 14, 2014, to prepare the required determinations, and present the Final MSR report and SOI recommendations.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution



Lou Ann Teixeira
Executive Officer

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Federal Glover
County Member

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Special District Member

April 9, 2014 (Agenda)

April 9, 2014
 Agenda Item 8

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

Third Quarter Budget Report - Fiscal Year 2013-14

Dear Members of the Commission:

This is the third quarter budget report for FY 2013-14, which compares adopted and actual expenses and revenues for the period July 1, 2013 through March 31, 2014.

The LAFCO operating budget includes three components: salaries/benefits, services/supplies, and contingency/reserve. The budget is based on the “bottom line,” which allows for variation within line item accounts as long as the overall balance remains positive. Funds may not be drawn from the contingency/reserve without Commission approval.

LAFCO’s budget is funded primarily by the County, cities and independent special districts, with each group paying one-third of the LAFCO budget. The city and district shares are prorated based on general revenues reported to the State Controller’s Office. LAFCO also receives revenue through application fees and interest earnings.

DISCUSSION

On May 8, 2013, LAFCO adopted its final FY 2013-14 budget with appropriations totalling \$762,016, including an \$80,000 contingency/reserve and a \$10,000 contribution to fund the OPEB liability.

With 75% of the fiscal year elapsed, the Commission’s third quarter expenditures are \$390,571 or 51% of total appropriations. The Commission budgeted \$351,936 in *salaries/benefits* for FY 2013-14; at the end of the third quarter, actual expenses total \$232,737 or 66% of the budgeted amount. The Commission budgeted \$320,080 in *services/supplies*; at the end of the third quarter, actual expenses total \$147,834 or 46%. The budget also includes an \$80,000 contingency and \$10,000 to fund the OPEB liability. No funds have been drawn from the contingency this fiscal year; and the \$10,000 OPEB funds are included in third quarter expenditures.

The primary sources of revenues are local agency contributions, application fees, and interest earnings. Total revenues received through the third quarter are \$592,110 or 97% of projected revenues (excluding fund balance). All local agencies have paid their prorated contributions to the LAFCO budget.

As for applications, FY 2013-14 application activity is slower than FY 2012-13 activity. During the first nine months of FY 2013-14, LAFCO received two new applications; eight applications were received during the first nine months of FY 2012-13.

LAFCO is currently receiving no investment earnings, and awaits the County Treasurer’s notice to resume investment activity based on market conditions.

Finally, when available, we budget fund balance to offset agency contributions. The FY 2013-14 budget includes \$150,000 in budgeted fund balance. See table below for a summary.

Account	FY 2013-14 Final Budget	Third Quarter Actuals
Salaries & Benefits	\$351,936	\$232,737
Services & Supplies	320,080	147,834
Contingency/Reserve	80,000	-
OPEB Trust	10,000	10,000
Total Appropriations	\$762,016	\$390,571
Agency Contributions	\$582,016	\$582,016
Application/Other Revenue	30,000	10,094
Interest Earnings		
Fund Balance	150,000	
Total Revenues	\$762,016	\$592,110

No budget adjustments are recommended at this time. LAFCO staff will continue to closely monitor the budget, and keep the Commission apprised.

RECOMMENDATION

It is recommended that the Commission receive the FY 2013-14 third quarter budget report.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
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Federal Glover
County Member
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April 9, 2014
Agenda Item 9

April 9, 2014 (Agenda)

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

Legislative Report - Update and Positions

Dear Members of the Commission:

The second year of the 2013-14 legislative session is underway. A summary of LAFCO and local government related bills tracked by CALAFCO is attached to this report (Attachment 1). The Priority 1 bills are those with the most relevance to LAFCO.

CALAFCO is requesting support from its member LAFCOs on the following three bills:

- **AB 2762 (Assembly Local Government Committee - ALGC)** - Each year, CALAFCO sponsors an omnibus bill which makes non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). On behalf of CALAFCO, the ALGC has introduced AB 2762 which makes technical changes, clarifications and corrections to the CKH Act (Attachment 2).
- **AB 1729 (Logue) – Williamson Act** - This bill would reinstate the Williamson Act alternative funding mechanism. (Attachment 3)
- **AB 2156 (Achadjian) - Local Agency Formation Commissions: Studies** - This bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the CKH Act, and include joint powers agencies and joint powers authorities among the entities from which LAFCO is authorized to request information in order to conduct studies considered relevant by each commission, such as municipal service reviews (Attachment 4).

Attached are draft letters of support for the Commission's consideration.

RECOMMENDATION - Provide input and direction to staff.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – CALAFCO Legislative Report
Attachment 2 – Draft Letter Supporting AB 2762
Attachment 3 – Draft Letter Supporting AB 1729
Attachment 4 – Draft Letter Supporting AB 2156

CALAFCO Daily Legislative Report as of Wednesday, April 02, 2014

 1

AB 453 (Mullin D) Sustainable communities.
Current Text: Amended: 7/3/2013 [pdf](#) [html](#)
Introduced: 2/19/2013

Last Amended: 7/3/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/12/2013)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	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: Watch

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. CALAFCO has removed its support of the bill given the nature of the amendment and the potential impact to LAFCos.

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: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/13/2013)

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

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 1521 (Fox D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.
Current Text: Introduced: 1/16/2014 [pdf](#) [html](#)
Introduced: 1/16/2014

Status: 2/6/2014-Referred to Com. on L. GOV.

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, current 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 2014-15 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.

Attachments:

[CALAFCO Support AB 1521 February 2014](#)

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

[AB 1527](#) ([Perea D](#)) **Public water systems: drinking water.**

Current Text: Amended: 3/17/2014 [pdf](#) [html](#)

Introduced: 1/17/2014

Last Amended: 3/17/2014

Status: 3/20/2014-Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

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

Summary:

Would authorize an assuming water system, as defined, to voluntarily consolidate with another water system. This bill would define "assuming water system" as a water system that will obtain legal ownership of another water system or systems, and that has a permit to operate from the State Department of Public Health, and would define "subsumed water system" as the water system that will transfer legal ownership to the assuming water system.

Position: Oppose unless amended

Subject: Disadvantaged Communities, Municipal Services, Service Reviews/Spheres, Sustainable Community Plans

CALAFCO Comments: As amended, this bill attempts to relieve the liability assumed by certain water agencies when consolidating with another water agency. In its current format, the consolidation process is noted as being done by the DPH and no mention of the LAFCo process and appears to be inclusive of all water systems, public, mutual and private. Furthermore the bill seems to give permission to only the "assuming" system/agency to be agreeable to the consolidation.

[AB 1729](#) ([Logue R](#)) **Local government: agricultural land: subvention payments.**

Current Text: Amended: 3/20/2014 [pdf](#) [html](#)

Introduced: 2/14/2014

Last Amended: 3/20/2014

Status: 3/24/2014-Re-referred to Com. on APPR.

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

Summary:

Would appropriate \$40,000,000 to the Controller from the General Fund for the 2014-15 fiscal year to make subvention payments to counties to reimburse counties for property tax revenues not received as a result of these contracts. The bill would make legislative findings and declarations related to the preservation of agricultural land.

Attachments:

[CALAFCO Letter of Support March 2014](#)

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: As amended, the bill will appropriate \$40 million from the General Fund in fiscal year 2014/2015 for subvention payments to counties for Williamson Act contracts.

[AB 1961](#) ([Eggman D](#)) **Land use: planning: sustainable farmland strategy.**

Current Text: Amended: 3/25/2014 [pdf](#) [html](#)

Introduced: 2/19/2014

Last Amended: 3/25/2014

Status: 3/26/2014-Re-referred to Com. on L. GOV.

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

Calendar:

4/2/2014 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, ACHADJIAN, Chair

Summary:

Would require each county with significant agricultural land resources, as defined, to develop, on or before January 2, 2018, a sustainable farmland strategy. The bill would require the Sustainable Farmland Strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the loss of agriculturally zoned land to nonagricultural uses or zones, and a page on the county's Internet Web site with the relevant documentation for the goals, strategies, and related policies and ordinances, as specified.

Position: Watch

Subject: Ag/Open Space Protection, CKH General Procedures, LAFCo Administration

CALAFCO Comments: As amended, the bill requires counties with 4% or more of its land zoned as agricultural to create a sustainable farmland strategy (sfs) effective January 1, 2018, in consultation with cities and LAFCo, and to update the sfs as necessary. The bill also requires OPR to create best practices that support ag land retention and mitigation and recommendations on the role of LAFCo in the preservation of ag zoned lands (when considering annexations and service extensions) in the next update of the General Plan.

In addition, the bill adds the sfs as a factor for LAFCo to consider (Sec. 56668) in the review of a proposal.

AB 2156 (Achadjian R) Local agency formation commissions: studies.

Current Text: Amended: 3/24/2014 [pdf](#) [html](#)

Introduced: 2/20/2014

Last Amended: 3/24/2014

Status: 3/25/2014-Re-referred to Com. on L. GOV.

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

Calendar:

4/2/2014 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, ACHADJIAN, Chair

Summary:

Would include joint powers agencies and joint powers authorities among the entities from which a local agency formation commission is authorized to request land use information, studies, and plans, for purposes of conducting the studies described above, and also would include joint powers agreements in the list of items the commission may request in conducting those studies. The bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Attachments:

[CALAFCO Letter of Support March 2014](#)

Position: Support

Subject: CKH General Procedures, LAFCo Administration, Municipal Services, Service Reviews/Spheres

CALAFCO Comments: As amended, the bill will specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which a local agency formation commission (LAFCo) is authorized to request information in order to conduct required studies.

AB 2762 (Committee on Local Government) Local government.

Current Text: Introduced: 3/24/2014 [pdf](#) [html](#)

Introduced: 3/24/2014

Status: 3/25/2014-From printer. May be heard in committee April 24.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 does not apply to pending proceedings for a change or organization or reorganization for which the application was accepted for filing prior to January 1, 2001, as specified. The act authorizes these pending proceedings to be continued and completed under, and in accordance with, the law under which the proceedings were commenced. This bill would repeal those provisions relating to pending proceedings for a change or organization or reorganization for which an application was accepted for filing prior to January 1, 2001, and make other conforming changes.

Attachments:

[CALAFCO Letter of Support_March 2014](#)

Position: Sponsor

Subject: CKH General Procedures

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: 2/3/2014-Returned to Secretary of Senate pursuant to Joint Rule 56.

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

Current Text: Amended: 9/12/2013 [pdf](#) [html](#)

Introduced: 1/10/2013

Last Amended: 9/12/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was RLS. on 9/12/2013)

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

Summary:

Would modify specified 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 would also 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 for certain cities incorporating after a specified date, as provided. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support_SB 69_Feb 2014](#)

Position: Support

Subject: Tax Allocation

SB 1001 (Knight R) Local government.

Current Text: Introduced: 2/13/2014 [pdf](#) [html](#)

Introduced: 2/13/2014

Status: 2/27/2014-Referred to Com. on RLS.

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

Position: Watch

Subject: CKH General Procedures

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: 7/12/2013-Failed Deadline pursuant to Rule 61(a)(10)(SEN). (Last location was E.O. on 6/13/2013)

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

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 implicated 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 642 (Rendon D) Publication: newspaper of general circulation: Internet Web site.

Current Text: Introduced: 2/20/2013 [pdf](#) [html](#)

Introduced: 2/20/2013

Status: 1/24/2014-Failed Deadline pursuant to Rule 61(b)(2). (Last location was JUD. on 3/11/2013)

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

Summary:

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

Position: Watch
Subject: LAFCo Administration
CALAFCO Comments: Allows for posting of agendas and meeting material on newspaper websites.

[AB 677](#) (Fox D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Amended: 1/6/2014 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amended: 1/6/2014

Status: 1/17/2014-Failed Deadline pursuant to Rule 61(b)(1). (Last location was L. GOV. on 1/7/2014)

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

Summary:

Would modify specified 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 would also 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 for certain cities incorporating after a specified date, as provided. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

[AB 1593](#) (Dahle R) Public cemetery districts: Auburn Public Cemetery District.

Current Text: Introduced: 2/3/2014 [pdf](#) [html](#)

Introduced: 2/3/2014

Status: 3/17/2014-In committee: Set, first hearing. Hearing canceled at the request of author.

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

Summary:

Would authorize the Auburn Public Cemetery District in Placer County to use their cemeteries for up to a total of 400 interments each, not to exceed 40 interments each per calendar year, to inter nonresidents and nonproperty taxpayers, if specified conditions are met. This bill contains other related provisions.

Position: Watch

Subject: Other

[AB 2455](#) (Williams D) The Santa Rita Hills Community Services District.

Current Text: Amended: 3/10/2014 [pdf](#) [html](#)

Introduced: 2/21/2014

Last Amended: 3/10/2014

Status: 3/11/2014-Re-referred to Com. on L. GOV.

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

Calendar:

4/9/2014 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, ACHADJIAN, Chair

Summary:

The Community Services District Law specifies the procedures for district formation, procedures for the selection of district governing board members, the powers and duties of the board, and the procedures for changing those powers and duties. Current law requires the board of directors of each district to consist of 5 members. This bill would authorize, until January 1, 2035, the board of directors of the Santa Rita Hills Community Services District to consist of 3 members. This bill contains other related provisions.

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: This bill as amended reduces the size of the governing Board of this district from five to three members.

AB 2480 (Yamada D) Local government finance: cities: annexations.

Current Text: Amended: 3/28/2014 [pdf](#) [html](#)

Introduced: 2/21/2014

Last Amended: 3/28/2014

Status: 4/1/2014-Re-referred to Com. on L. GOV.

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

Summary:

Would, beginning on January 10, 2015, and on the 10th of each month thereafter, require the Controller to pay to each city that incorporated before August 5, 2004, an amount equal to an amount determined by a specified formula. This bill would continuously appropriate to the Controller an amount sufficient to make those payments from the General Fund.

Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

SB 633 (Pavley D) CEQA.

Current Text: Amended: 8/6/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 8/6/2013

Status: 8/30/2013-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 8/6/2013)

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

Summary:

Would, for purposes of the new information exception to the prohibition on requiring a subsequent or supplemental EIR, specify that the exception applies if 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. The bill would authorize the office, by July 1, 2015, to draft and transmit to the secretary revisions to the guidelines to include as a categorical exemption projects involving minor temporary uses of land and public gatherings that have been determined not to have a significant effect on the environment. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

SB 731 (Steinberg D) Environment: California Environmental Quality Act.

Current Text: Amended: 9/9/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 9/9/2013

Status: 9/13/2013-Failed Deadline pursuant to Rule 61(a)(14). (Last location was L. GOV. on 9/11/2013)

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

Summary:

Would provide that aesthetic and parking impacts of a residential, mixed-use residential, or employment center project, as defined, on an infill site, as defined, within a transit priority area, as defined, shall not be considered significant impacts on the environment. The bill would require the Office of Planning and Research to prepare and submit to the Secretary of the Natural Resources Agency, and the secretary to certify and adopt, revisions to the guidelines for the implementation of CEQA establishing thresholds of significance for noise and transportation impacts of projects within transit priority areas. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: CEQA

SB 772 (Roth D) Drinking water: County Water Company of Riverside water system: liability.

Current Text: Amended: 1/6/2014 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amended: 1/6/2014

Status: 2/3/2014-Returned to Secretary of Senate pursuant to Joint Rule 56.

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

Summary:

Would exempt the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for claims by past or existing County Water Company of Riverside customers or those consuming water provided through the County Water Company of Riverside water system concerning the operation and supply of water from the County Water Company of Riverside water system during the interim operation period, as specified, for any good faith, reasonable effort using ordinary care to assume possession of, and to operate and supply water to , the County Water Company of Riverside water system. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Letter Removing Opposition September 9, 2013](#)

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

Position: Watch

Subject: Water

CALAFCO Comments: As amended, this bill would exempt the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for injuries or damages arising out of the delivery of water to County Water Company of Riverside customers, as specified. As amended this bill no longer references Local Agency Formation Commissions (LAFCo) to take on the responsibility of monitoring private water companies. As a result of removing any and all references to LAFCo, CALAFCO has removed its opposition to the bill and now has a Watch position.

SB 1122 (Pavley D) Sustainable communities: Strategic Growth Council.

Current Text: Amended: 3/24/2014 [pdf](#) [html](#)

Introduced: 2/19/2014

Last Amended: 3/24/2014

Status: 3/24/2014-From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.

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

Calendar:

4/2/2014 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, HILL, Chair

Summary:

Would authorize the Strategic Growth Council to develop and implement regional grant programs to support the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans within a developed area. The bill would require the council, in consultation with specified public agencies, to establish standards for integrated modeling systems and measurement methods, and standards for the use of moneys awarded.

Position: Watch

Subject: Sustainable Community Plans

Total Measures: 21

Total Tracking Forms: 21

4/2/2014 8:13:19 AM



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Don Tatzin
City Member

Dwight Meadows
Special District Member

Mary N. Piepho
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Rob Schroder
City Member

ALTERNATE MEMBERS

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Sharon Burke
Public Member

Tom Butt
City Member

George H. Schmidt
Special District Member

April 9, 2014

Honorable Katcho Achadjian, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 4098
Sacramento, CA 95814

RE: Support of AB 2762: Local Government Committee Omnibus Bill

Dear Assembly Member Achadjian:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support AB 2762, the Assembly Local Government Committee bill which makes non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). The bill is also supported by the California Association of Local Agency Formation Commissions (CALAFCO).

This annual bill includes technical changes to the CKH Act which governs the work of LAFCOs. These changes are necessary as commissions implement the CKH Act, during which small inconsistencies are discovered, or clarifications are needed to make the law as unambiguous as possible. AB 2762 makes several minor technical changes, corrects obsolete and incorrect code references, and makes minor updates to outdated sections.

We are grateful to your Committee staff and counsel, all of whom worked diligently on this language to ensure there is no substantive change, yet increases the clarity of the CKH Act for all stakeholders.

This legislation helps insure that the CKH Act remains a vital and practical law that is consistently applied around the State. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCOs.

Sincerely,

Dwight Meadows
Chair, Contra Costa LAFCO

c: Members, Assembly Local Government Committee
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus

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

MEMBERS

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April 9, 2014

The Honorable Mike Gatto, Chair
Assembly Appropriations Committee
California State Capitol, Rm 2114
Sacramento, CA 95814

RE: AB 1729 (Logue) – Williamson Act – SUPPORT

Dear Assembly Member Gatto:

On behalf of the Contra Costa Local Agency Formation Commission (LAFCO), we write to express our support for AB 1729, as amended, by Assembly Member Logue. This bill would reinstate the Williamson Act alternative funding mechanism.

The Williamson Act was intended to be a partnership between the State, counties and landowners to preserve agricultural resources. Counties, in exchange for implementing the State goal of farm and ranch land preservation, were to receive a partial replacement of their foregone property tax from the land enrolled in the program. State subventions have not been paid since 2009, and counties are struggling to meet their responsibilities under the Williamson Act and as a result, farmland protection continues to be at risk.

AB 1729 would reinstate the program, providing counties subvention funding from the State. Since 1963, LAFCOs have worked within each county to meet their legislative mandate of balancing growth and development with discouraging sprawl and protecting California's important agricultural lands. The Williamson Act, and its role in LAFCO law, has proven an effective tool for many LAFCOs to reduce sprawl and protect prime agricultural lands. The ramifications of eliminating State subventions without an alternative funding mechanism causes us great concern.

Contra Costa County has been implementing the Williamson Act since 1968 when the Board of Supervisors adopted an ordinance authorizing the creation of Agricultural Preserves and the execution of Land Conservation Contracts pursuant to State law. At present, Contra Costa County has 417 parcels of agricultural land with Land Conservation Contracts, covering approximately 48,000 acres.

Without financial incentives to maintain these contracts, the ability of LAFCOs to meet its Legislative intent to preserve agricultural and open-space lands, is compromised.

For these reasons, Contra Costa LAFCO respectfully urges your Committee's support of the Williamson Act and requests an "Aye" vote on AB 1729 when it is heard in your committee.

Sincerely,

Dwight Meadows
Chair, Contra Costa LAFCO

cc: Members, Assembly Local Government Committee
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Honorable Dan Logue, California State Assembly

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Lou Ann Texeira
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April 9, 2014

Honorable Katcho Achadjian, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 4098
Sacramento, CA 95814

RE: SUPPORT of AB 2156: Local Agency Formation Commissions: Studies

Dear Assembly Member Achadjian:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support AB 2156, as amended and authored by you. This bill would specifically define "joint powers agency" and "joint powers authority" for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), and include joint powers agencies and joint powers authorities (JPAs) among the entities from which LAFCO is authorized to request information in order to conduct studies considered relevant by each commission.

Pursuant to the CKH Act, LAFCOs are charged with evaluating the provision of municipal services and conducting studies of existing governmental agencies including their service area and service capacities. As many local agencies across the State provide municipal services through JPAs, having access to the information that outlines service areas and specific services being delivered by these entities is critical to conducting comprehensive studies that support LAFCOs core missions of encouraging the efficient delivery of local services and evaluating local agency boundaries.

AB 2156 is substantively informed by, and consistent with, the earlier work of California Forward and the Legislative Analyst Office Report of October 2011, the latter of which specifically addresses the relationship between LAFCO and JPAs.

We support the California Association of Local Agency Formations Commissions (CALAFCO) efforts to work on this legislation that creates an even stronger association between JPAs and LAFCOs. Many LAFCOs are seeing JPAs being formed as a way to extend services without oversight thus circumventing the LAFCO review and approval process. Such actions inhibit the ability of LAFCO to fulfill the part of our mission that relates to assuring adequate, efficient and accountable government services.

AB 2156 is consistent with LAFCo's mission to promote the efficient and sustainable delivery of local services to meet current and future needs, and is an important first step in the development of the relationship between LAFCos and JPAs. For these reasons, Contra Costa LAFCO supports AB 2156 as amended, and we thank you for authoring this important piece of legislation.

Sincerely,

Dwight Meadows
Chair, Contra Costa LAFCO

cc: Members, Assembly Local Government Committee
Misa Yokoi-Shelton, Associate Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus



Lou Ann Texeira
Executive Officer

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April 9, 2014 (Agenda)

April 9, 2014
Agenda Item 10

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

Executive Officer's Performance Review and Compensation

Dear Members of the Commission:

RECOMMENDATION

Consider the recommendations per the attached memo.

DISCUSSION

The Commission last met on March 12, 2014 in Closed Session to discuss staff performance.

Thereafter, Commissioners Meadows and Schroder met with the Executive Officer to discuss the performance review and recommendations as summarized in the attached memo.

Thank you for your consideration of the recommendations.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment

MEMORANDUM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor ♦ Martinez CA 94553 ♦ (925) 335-1094 ♦ Fax (925) 646-1228

April 9, 2014

TO: Members of the Commission
FROM: Commissioners Meadows and Schroder
SUBJECT: Executive Officer's Compensation

The Commission last met in Closed Session on March 12, 2014 to discuss the Executive Officer Lou Ann Teixeira's Performance Evaluation.

Commissioners Meadows and Schroder subsequently met with the Executive Officer to provide input regarding the Performance Evaluation. During that meeting we expressed to the Executive Officer the very positive comments from the Commission as to the excellent work being performed by the Executive Officer.

We recommend that the Commission approve a lump sum payment of \$3,000 in recognition of the Executive Officer's performance, along with a 2.5% adjustment to her base salary effective 1/1/14.



MEMORANDUM

April 9, 2014
Agenda Item 11

Date: March 12, 2014
To: Plan Sponsors/Employers
From: Vickie Kaplan, Retirement Accounting Manager
Subject: **GASB 67 & 68 Update**

BACKGROUND

In June 2012, the Governmental Accounting Standards Board (GASB) issued two new standards that fundamentally change the accounting and financial reporting of public employee pensions by state and local governments. Statement No. 67, *Financial Reporting for Pension Plans*, revises existing guidance for the financial reports of most pension plans, including CCCERA. Statement No. 68, *Accounting and Financial Reporting for Pensions*, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits, which includes CCCERA's plan sponsors. On November 25, 2013, GASB issued a new Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment to GASB Statement No. 68. This statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68. The GASB's intentions with these new standards are to improve the transparency, consistency and comparability of the pension information reported by state and local governments and pension plans through standardization of actuarial valuation practices used in the calculation of pension related liabilities.

The new standards represent the most significant change to pension reporting requirements in nearly 20 years. Prior to the new standards being issued, the accounting and reporting requirements of pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding policy perspective. The new standards govern how pension related liabilities are to be calculated and reported and therefore, they represent a break from the funding perspective and past reporting practices. In essence, pension systems will now have separate actuarial valuations for funding decisions and for accounting/financial reporting requirements. In addition, employers, who previously had no or limited reporting responsibility related to pensions, will now include a share of the unfunded liability on their financial statements.

EFFECTS OF NEW STANDARD ON CCCERA

GASB Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans such as CCCERA. As a multiple-employer cost-sharing plan, CCCERA will be required to enhance its note disclosures in the annual financial statements, provide additional schedules in the Required Supplemental Information (RSI) section of the Comprehensive Annual Financial Report (CAFR) and also present new information about annual money-weighted rates of return in the notes to the financial statements and in 10 year RSI schedules.

The timing of a pension system's actuarial valuation is an important matter to consider when implementing GASB Statement No. 67. The **valuation date** applies to pension systems and refers to the date of the most recent actuarial valuation that has GASB compliant values. CCCERA can achieve this by either having a GASB compliant actuarial valuation as of the end of the current year end completed in conjunction with the CAFR preparation, or by using the prior year's valuation and having the actuary roll the liability values forward to the end of the current fiscal year end. Currently, CCCERA uses a beginning of year actuarial valuation (dated the last day of the prior year) in the current year's CAFR. When implementing GASB No. 67, CCCERA will elect to use the prior year's valuation and have the actuary roll the liability values forward to the end of the current fiscal year end. Therefore, CCCERA's valuation date will be 12/31/13.

Below is a list of anticipated new or expanded footnotes required by GASB No. 67:

- Plan membership – Expanded Table
- Investments:
 - Allocation by Asset Class
 - Expected Long-term Rate of Return by Asset Class
 - Annual Money-weighted Rate of Return
 - Identification of investment representing 5% or more of plan fiduciary net position
- Components of Net Pension Liability – Summary level information
 - Total Pension Liability
 - Plan Fiduciary Net Position
 - Net Pension Liability
 - Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
- Sensitivity of Net Pension Liability to Changes in Discount Rate
- Significant Actuarial Assumptions used to Measure Total Pension Liability

In addition, the RSI section of the financial statements will include the following new schedules:

- 10 Year Schedule of change in Net Pension Liability
- 10 Year Schedule of Contractually Required Contributions
- 10 Year Schedule of Annual Money-weighted Returns

NOTE: The above schedules will be built into 10 years of the required information; however, upon implementation only the most recent year's information is required.

EFFECTS OF NEW STANDARDS ON EMPLOYERS/PLAN SPONSORS

The pension accounting and reporting rules for employers who participate in defined benefit plans, such as CCCERA, change significantly with the issuance of GASB Statement No. 68. The new standard requires employers to report on their government-wide statement of net position (also known as their balance sheet) a “Net Pension Liability” if the present value of their obligation for pension benefits attributable to past service exceeds the resources held in the pension trust fund to pay benefits. Related to recognizing a Net Pension Liability on the financial statement, employers will also be required to record a pension expense on their government-wide statement of changes in net position (also known as an income statement). The new standard provides specific guidance and requirements on how to calculate both the liability and the expense related to defined benefit plans. The required calculations will require the assistance and coordination of CCCERA and CCCERA’s actuary (Segal Consulting). Below is a summary of some of the requirements employers will have to implement based on the new standard:

- The actuarial valuation must use the entry age level percentage of payroll method for calculating total pension liabilities (this is consistent with CCCERA’s current practice). The **valuation date** must take place within 18 months of the start of the employer’s financial reporting period (v. 24 months previously permitted) and the resulting data must then be “updated” to make it current as of a **measurement date** no earlier than the day immediately preceding the start of the financial reporting period. Employers will need to report all pension related data based on a **measurement date**. Employer options for the choice of a **measurement date** are as follows:
 - a. Measurement Date: December 31, 2014 – For employers with a 6/30/15 year end
 - b. Measurement Date: December 31, 2015 **OR** December 31, 2014 – For employers with a 12/31/15 year end (employers will need to stick with the measurement date they choose going forward)
- Each employer in CCCERA must report its own net pension liability, pension expense, and pension related deferred outflows/inflows of resources based on their **proportionate share** of the total of each item for all employers in CCCERA. The proportionate share can be calculated by determining each employer’s relative share of total employer contributions or actual payroll and then applying that percentage to the amount in total for all employers in the plan.
- Changes in economic and demographic assumptions used to project benefits and differences between actuarial assumptions and actual experiences will be recognized on the employers’ statement of activities as part of the annual pension expense but will be amortized over a closed period of time that will be determined by the **average remaining service period of the plan members**. The average remaining service period will be calculated using active, deferred and retired members in the plan. Retired members have zero years of remaining service which will cause the amortization period used for reporting purposes to be materially shorter than CCCERA’s current policy of 18 years.

- The effects of differences between expected and actual investment returns will be recognized in pension expense over a closed five-year period which is consistent with how this type of gain/loss is currently treated in CCCERA's annual actuarial valuation.
- The discount rate used to discount projected benefits payments to their present value will be based on a single rate that reflects:
 - a. The long-term expected rate of return on plan investments (net of investment expenses but **not** of administrative expenses) as long as the plan net position is projected under specific conditions to be sufficient to pay pensions of current employees and retirees and the pension plan assets are expected to be invested using a strategy to achieve that return. Currently, CCCERA's investment return assumption used for the annual funding valuation is developed net of both investment and administrative expenses. At the February 26, 2014 Board meeting, Segal Consulting discussed the implications of this requirement.
 - b. A yield or index rate on tax-exempt 20-year, AA or higher rated municipal bonds to the extent that the conditions for use of the long-term expected rate of return are not met.

Based on CCCERA's new funding policy that was adopted on February 26, 2014, it is anticipated that CCCERA's discount rate will equal the long-term expected rate of return as the plan assets are expected to be sufficient to pay pensions of current members. CCCERA's actuary, Segal Consulting, will be preparing a cash flow schedule that includes current trust assets, estimated future contributions based on CCCERA's funding policy, estimated future benefit payments (for past service only), and estimated interest earnings to justify using the single long-term expected rate of return on investments as the discount rate.

- More detailed information about the benefits provided by the employer's pension plan, contributions, assumptions and methods will also be required in the financial statement note disclosures and RSI. CCCERA will coordinate providing plan level and proportionate share data to you (i.e. the plan sponsor) for you to incorporate into your required schedules and footnotes. However, the responsibility of actually preparing the financial statements including the new pension accounting requirements will remain the responsibility of each employer.

EFFECTIVE DATES AND AVAILABILITY

CCCERA is required to implement the provisions of Statement No. 67 in the fiscal period beginning after June 15, 2013. This will be CCCERA's financial statements for the period ending December 31, 2014 (which are scheduled to be completed and audited by June 2015). Government entities, including CCCERA's plan sponsors will be required to implement the provisions of Statement No. 68 in fiscal years beginning after June 15, 2014. This will be the fiscal year ending June 30, 2015 or December 31, 2015 for all of CCCERA's plan sponsors. The process to implement the new pension standards will require collaboration from several entities. CCCERA has scheduled a "GASB 67/68 Implementation Task Force" kick-off meeting

on Thursday, March 27 with our auditors, Brown Armstrong CPAs, actuary, Segal Consulting, and plan sponsors/employers. In an effort to start the necessary collaboration with our stakeholders, CCCERA will schedule “GASB 67 & 68 Working Group” meetings once a timeline has been established. The group will include CCCERA staff, accounting and reporting staff from plan sponsors, CCCERA’s auditors (Brown Armstrong CPAs), and CCCERA’s actuary (Segal Consulting). The Working Group will plan to meet periodically throughout the implementation process to discuss challenges and issues related to the new reporting requirements and to facilitate a collaborative effort while providing the necessary financial information.

As noted earlier, the new standards represent the most significant changes in pension accounting and reporting in over 20 years. The effective dates of the new standards represent a relatively quick implementation period given the magnitude of the reporting changes and the impact these liabilities will have on employer financial statements. CCCERA is committed to implementing the standards as required and to assisting our plan sponsors to do the same. Many questions have been raised regarding specific requirements and acceptable methods for implementing the standards. The GASB issued the implementation guide for GASB Statement No. 68 on January, 30, 2014. This publication will answer key questions raised by various plans and employers throughout the nation about putting the new standards into practice.



AGENDA

RETIREMENT BOARD MEETING

SPECIAL MEETING

9:00 a.m.

March 20, 2014

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. Discussion with consultant and staff regarding managers scheduled to present.
4. Manager panel discussions:
 - 9:15 a.m. – 10:15 a.m.
Topic: Balance of risk and opportunities – What lies ahead?
Managers Presenting: Torchlight, First Eagle, and William Blair
 - 10:15 a.m. – 11:00 a.m.
Topic: Opportunities in Real Assets
Managers Presenting: Research Affiliates, Wellington, Aether, and Commonfund
 - 11:15 a.m. – 12:15 p.m.
Topic: Defense in times of rising interest rates
Managers Presenting: PIMCO, Lord Abbett, and Goldman Sachs
5. Consider and take possible action on SACRS Voting Proxy Form.
6. Consider authorizing the attendance of Board and/or staff:
 - a. Spring Conference, SACRS, May 13 – 16, 2014, Sacramento, CA.
7. 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.



AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
March 26, 2014
9:00 a.m.

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.

CLOSED SESSION

3. The Board will go into closed session pursuant to Govt. Code Section 54957 – public employee appointment. Title: Retirement Chief Executive Officer.

OPEN SESSION

4. 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.



AGENDA

RETIREMENT BOARD MEETING

FIRST MONTHLY MEETING
April 2, 2014
9:00 a.m.

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

****AMENDED****

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 February 12 and 26, 2014 meetings.
4. Routine items for April 2, 2014.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report
5. Presentation from Delaware Investments on creation of Jackson Square Partners.
6. Consider and take possible action to reassign contract from Delaware Investments to Jackson Square Partners.
7. Educational presentation from Parametric Clifton on cash overlay strategies.
8. Presentation from Ocean Avenue Capital Partners.
9. Consider and take possible action on consultant recommendation to make commitment to Ocean Avenue Capital Fund II.

CLOSED SESSION

10. The Board will go into closed session under Gov. Code Section 54957 to consider recommendations from the Medical Advisor and/or staff regarding the following disability retirement applications:

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.

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Tracy Kroll	Non-service Connected	Non-service Connected
b. Steven April	Service Connected	Service Connected

11. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation:
 - a. *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al., Contra Costa County Superior Court, Case No. N12-1870.*
12. The Board will continue in closed session to confer with legal counsel regarding anticipated litigation pursuant to Govt. Code Section 54956.9(b): one potential case.
13. The Board will continue in closed session pursuant to Govt. Code Section 54956.81 to consider the purchase of particular pension fund investment.

OPEN SESSION

14. Presentation of cash flow report for the period ending December 31, 2013.
15. Consider and take possible action to contract with Laughlin, Falbo, Levy and Moresi, LLP to provide disability retirement legal services.
16. Consider authorizing the attendance of Board and/or staff:
 - a. Client Conference, Energy Investors Fund, May 6 – 8, 2014, Dana Point, CA.
 - b. Client Conference, Siguler Guff, April 30 – May 1, 2014, New York, NY.
 - c. 2014 Global Conference, Milken Institute, April 27 – 30, 2014, Los Angeles, CA.
17. 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.

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – APRIL 9, 2014**

April 9, 2014
Agenda Item 13b

LAFCO APPLICATION	RECEIVED	STATUS
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
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
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	Pending
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	Pending

Antioch approves new fees for charging developers to serve future growth

By Paul Bugarino Contra Costa Times Contra Costa Times
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ANTIOCH -- City leaders this week approved a change to Antioch's method of charging developers to serve future growth, establishing a set of one-time charges on builders to cover items such as roads, parks and police services.

Before giving unanimous approval Tuesday, council members said the goal of the new Development Impact Fee program is to create consistency.

"I like the fact, immensely, that there is certainty for impact fees in Antioch. That's a real benefit to us," Councilman Gary Agopian said. "Certainty is what we have had off and on; we'll have it on all the time now."

Under Antioch's old growth system, a prospective developer had to score a certain number of points on a system to receive entitlements and offer certain local improvements, such as roads or parks, said Tina Wehrmeister, the city's community development director. Over time, that morphed into builders offering money, she said.

The council agreed with numbers set in the study of a maximum fee of \$7,198 per single-family unit, \$4,692 per multifamily unit, and 77 cents per nonresidential square foot. Sewer and water, school district and regional road fees would stay the same.

"The developer will know in Antioch what we're doing, why we're doing it and what we need to do," Agopian said.

Antioch can revise those fees if it sees shifts in the city's housing mix, which is likely given plans to build around the new eBART station and downtown.

City leaders also rejected a suggestion from the Building Industry Association of the Bay Area to phase in the fee changes.

Antioch's residential development is expected to increase from 34,000 units to 44,800 as the city builds out, according to the study. That would increase its population from about 105,000 to 132,000. Future costs to accommodate that growth is \$124.8 million, with new growth being on the hook for about \$66.8 million of it.

After years of rampant growth in the 1990s, Antioch voters passed Measure U in 1998, an advisory measure aimed at phasing in new home construction to account for land-use and financial planning. It also said that growth should pay its own way through fees and other methods.

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Dams could be constructed to block saltwater creep into Delta's fresh water

By Denis Cuff and Paul Burgarino Contra Costa Times Contra Costa Times

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The state Department of Water Resources is rushing to place temporary dams in three channels in the Sacramento-San Joaquin River Delta to hold back the intrusion of seawater from San Francisco Bay and protect water quality during this drought year.

With less fresh water than normal flowing through the rivers, salty seawater is creeping into the Delta, which provides drinking water for 25 million people -- including 1.8 million customers of the Santa Clara Valley Water District, 500,000 in the Contra Costa Water District, and 19 million people served by Southern California's Metropolitan Water District -- and 3 million acres of farmland. The \$25 million barriers would prevent the river water from flowing out to tributaries and instead push it downstream to where giant pipes capture the supply.

"The idea is that we will be able to avoid having to release water from reservoirs to meet water quality, and conserving as much as we can for later," said Mark Holderman, the project manager with the state water department.

The barrier idea -- last used during the state's drought of 1976-77 -- was mentioned by Gov. Jerry Brown in January when he declared a state of emergency. 2013 was the driest year on record.

Diverting the natural flow of the waterways will have an impact on wildlife and recreation in the Delta.

Maria Rea, Sacramento-area supervisor at the National Marine Fisheries Service, said north Delta barriers would block the migration paths of the chinook salmon, but may be a necessary evil.

"Normally, from a fishery agency perspective, it would be a real concern to put rock barriers in some of these locations. But this isn't a normal water year," she said.

The dams would be made of 24-inch rocks at the entrance to three Delta channels, including False River near Oakley, just west of Franks Tract. The other two dams would be at Sutter and Steamboat sloughs on the Sacramento River near Courtland.

Rocks would be barged in and positioned by cranes. The state would remove the barriers in late November and put them back next year if the drought continues.

Holderman said the plan is to get the barriers in place as soon as May 1, which means working at a frenzied pace to get permits and notify property owners who could be affected. Among agencies that still must approve the plan are the State Water Resources Control Board, the U.S. Army Corps of Engineers and the National Marine Fisheries Service.

Contra Costa Water District is closely watching the project because of its potential to protect drinking water quality, said spokeswoman Jennifer Allen.

In the last two months, the district has pumped drinking water from Middle River because water from Rock Slough, near Knightsen, was getting too salty.

Salt in Rock Slough water now exceeds 180 parts per million chlorides -- 200 parts is considered the level when it can be tasted -- while Middle River water is about 100 ppm chlorides, the district said Wednesday.

"We're in an extraordinary time with the current drought, and not knowing what the summer is going to bring," said Allen. "We're looking at any option to protect our water quality as this drought continues."

Salinity at the giant state water pumps near Tracy is about 100 ppm chlorides -- well within a 250 ppm state standard. However, as the rainy season ends, water experts expect salt content to creep upward.

Some North Delta farmers say the barriers could make their irrigation water even saltier and harder to get by disrupting upstream flows that freshen up their Delta water.

"It worries me a lot," said J.B. Morais, owner of Delta Islands Organic Farm on Sutter Island. He recently invested in a new irrigation pump to tap his water rights in Steamboat Slough, and now isn't sure he'll be able to reach that water at all.

"My main concern is that people up here are going to be denied good water," he said.

Cate Kuhne, a Bradford Island property owner, says she worries about the dam limiting a key waterway for boaters, forcing them to detour toward narrower channels, jeopardizing island levees.

But, still, she says something must be done to address the water quality fallout from the drought.

"It's kind of a Catch-22. There are a lot of questions that haven't been addressed yet," she said.

State officials on Tuesday will be at a Bethel Island meeting to get a permit for the barriers from Reclamation District 799. The 10 a.m. meeting will be at the district office, 6325 Bethel Island Road, Bethel Island.

McClatchy News Service contributed to this story. Contact Denis Cuff at 925-943-8267. Contact Paul Bugarino at 925-779-7164.

Revised financial projections lift Moraga-Orinda Fire District

By Jennifer Modenessi Contra Costa Times Contra Costa Times
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ContraCostaTimes.com

MORAGA -- Higher-than-projected property tax revenue means the cash-strapped Moraga-Orinda Fire District will add about \$507,000 next fiscal year to an ailing general fund being kept stable through loans from its capital projects fund -- and possibly reduce the borrowing, according to the district's top fire official.

Fire Chief Stephen Healy announced March 7 that the district has received updated preliminary property tax revenue projections for the next fiscal year beginning July 1, 2014, showing property tax revenues increasing 5.9 percent from the previous year.

That accompanies news that the district's employer contribution rates for current and past employee benefits managed by the Contra Costa County Employees' Retirement Association are projected to decrease beginning in fiscal year 2015 until fiscal year 2019-20.

The positive financial projections followed another announcement by the chief last week that the district and firefighters union -- United Professional Firefighters of Contra Costa County Local 1230 -- have entered mediation after fire officials declared in late January an impasse in contract negotiations.

"It's nice to have good news for a change," Healy said later. He declined to comment further on the developments.

Union leadership also welcomed the updated financial projections.

"Those changes are something we're happy about," said Local 1230 President Vince Wells.

The property tax revenue projections follow recent district estimates of \$17.8 million in property tax revenue next fiscal year. That amount climbed to \$17.9 million after the district received \$166,000 in state homeowner's property tax relief funds, said Administrative Services Director Gloriann Sasser. Property tax revenue, which makes up the bulk of the general fund, is now expected to total \$18.63 million next fiscal year.

However, more than \$2.9 million of that revenue will be set aside for the ongoing repayment of about \$24.1 million in pension obligation bond debt.

Administrators moved more than \$2 million in general fund reserves into the "debt service" fund last year after discovering previous administrators had failed to record the money as restricted; the district uses property tax revenue to make the annual payment.

As for the revised employer contribution projections, Healy explained in a statement that the district will see its contribution rate of 80.03 percent -- adopted by the retirement association -- decline 3.77 percent in fiscal year 2016-17 after a 0.42 percent increase in 2015-16. The trend is expected to continue through fiscal year 2019-20. The savings to the district as a result of the revisions is still being calculated, Healy said.

But because employer contribution rates are projected to stay at about 80 percent of the district's estimated \$7 million payroll next fiscal year, MOFD will still have to make a \$5.2 million payment to the county retirement association.

The next district board meeting is 7 p.m. Wednesday in the Moraga Library community room, 1500 St. Mary's Road.

Environmental documents for Pittsburg expressway headed toward final stretch

By Paul Burgarino *Contra Costa Times* *Contra Costa Times*
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PITTSBURG -- A long-sought expressway that would untangle local traffic could soon get the green light, but it could still be years away from reality.

Pittsburg recently released a final version of an environmental impact report for the James Donlon Extension -- a 1.7-mile road south of the city that would run from the western edge of Discovery Builders' planned Sky Ranch II subdivision to Kirker Pass Road.

The City Council will consider approving the report next month, but the proposal could still face an uphill battle. If approved, Pittsburg would then work with the county's Local Agency Formation Commission on annexation for the area around the planned alignment.

The two-lane road through the steep hilly terrain, estimated by Pittsburg to be in low \$50 million range, has been part of the city's plans for more than three decades. It is viewed as a key route to take commuters to Central Contra Costa from Antioch and farther east, moving them off Buchanan Road.

"It's a milestone," City Manager Joe Sbranti said. "(Pittsburg) has been looking at (the road) at least as far back as the 1980s. Now, we're finally at a point where the Council has something to look it."

Documents identify several "potentially significant" effects, including aesthetics, biological resources, geology and soils, noise and air quality. The study also addresses landslide prevention, crossing seasonal stream beds and the relocation of utilities.

"We know it's an environmentally sensitive area, and we will do what we have to do to mitigate that," Sbranti said.

The 243-page final report includes comments from government agencies, residents and regional environmental groups on the proposed expressway, along with city responses.

Concerns include how the road would affect ranching and other land uses, annexation, and accounting for stormdrains and a Kinder Morgan pipeline.

Pittsburg says the project will not require removing or displacing any homes or people, and that it will add culverts large enough to allow cattle and ranching equipment to safely cross the road.

Regional conservation groups Greenbelt Alliance and Save Mount Diablo have said that the road would require drastic cuts and extensive grading for the sloping hills and canyons in the vicinity, destroying some of the most pristine land and views in the region. Save Mount Diablo, which has retained experts and legal counsel and plans on submitting more objections to the report, says the city is underestimating the cost of the project, projecting it would cost \$100 to \$125 million.

"It's a flawed document, and we don't think it's legally adequate," Seth Adams, the group's land program director, said.

Approximately 2.1 million cubic yards of grading would be required for the roadway, according to city documents.

The two groups also say the construction will prompt suburban sprawl development.

"The proposed project would not cause or contribute to 'leap frog' or 'premature' development," according to the report. The area in question will also be zoned in Pittsburg's general plan as open space.

Even so, work could be years away. It will also have to acquire right-of-way for the piece of the road that would bisect the Thomas Ranch property, then work on utility relocation.

Contact Paul Bugarino at 925-779-7164. Follow him at [Twitter.com/paulbugarino](https://twitter.com/paulbugarino).

MORE INFO:

To view the Environmental Impact Report on the James Donlon Extension, visit:

<http://www.ci.pittsburg.ca.us/index.aspx?page=745>.

The Pittsburg City Council will consider adopting the environmental impact report at a meeting in April. A hearing is tentatively scheduled 7 p.m., April 7, at the City Council chamber, 65 Civic Ave.



FPUD asks LAFCO for consolidation; will seek another JPA partner

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Joe Naiman

Village News Correspondent

Despite the wishes of the Rainbow Municipal Water District board not to continue with plans to merge Rainbow and the Fallbrook Public Utility District, the FPUD board has submitted an application for the merger to San Diego County's Local Agency Formation Commission.

A 4-0 FPUD board vote March 10, with Archie McPhee absent, approved the consolidation application which was delivered to LAFCO executive officer Mike Ott by FPUD general manager Brian Brady on March 11.

"I think there's a general understanding that without the JPA structure or the (employee) leasing agreement, which also Rainbow has given notice to withdraw from that, it leaves little or no opportunity to continue the success that we accomplished in 2013," Brady said.

The North County Joint Powers Authority was created in February 2013 as a transitional structure to test the possibility of consolidating the Fallbrook and Rainbow districts, and the first JPA meeting was held on March 6, 2013. The functional consolidation allowed for the experience of combining tasks among the two districts while also creating the possibility that the districts could experience cost savings due to such sharing without governance consolidation. The joint powers agreement also included an employee leasing agreement which allowed FPUD and Rainbow to share employees, and the functional consolidation saved more than \$1 million during the agreement's first 11 months of existence.

In November the FPUD and Rainbow boards voted to begin the process of applying to LAFCO for an actual jurisdictional consolidation, but the boards of the two districts could not agree on the governance structure for the successor district. Each district currently has a five-member board, but FPUD elects its directors by seat with the entire district voting for each seat while Rainbow elects its directors by division with only voters in that division participating in that election.

The FPUD board initially proposed that the board members of the consolidated agency all be elected at large. At the February 5 North County JPA meeting FPUD's representatives on the

JPA board (which consists of three FPUD board members, three Rainbow board members, and an at-large member chosen by the rest of the board) put forth a compromise proposal in which four directors would be elected by division and three directors would be elected at large. Such a format would provide board representation for residents of each of the four divisions while also ensuring that a majority of the board would be accountable to all of the district's residents. Rainbow's board members rejected that proposal.

During Rainbow's February 25 regular meeting director Helene Brazier provided a position which noted that functional consolidation was not necessary to achieve the benefits of sharing resources with neighboring water districts as is the case with the recent activity between Rainbow and the Valley Center Municipal Water District to coordinate pipelines. Brazier's comments defined the proposed merger as absorption into FPUD and permanent minority status instead of a full partnership.

Rainbow's February 25 board meeting also discussed the process of hiring a new general manager. Rainbow general manager Dave Seymour retired shortly after the creation of the JPA, and Brady also became Rainbow's general manager. Brady is also the executive officer for the JPA. FPUD's March 10 agenda also addressed the JPA's conflict of interest code which covers incompatible offices and thus led Brady to resign as Rainbow's general manager. The FPUD board expressed a desire for Brady to continue to work cooperatively with Rainbow's new general manager. The Rainbow board is expected to name an interim general manager, if not a long-term general manager, at its March 25 board meeting although existing Rainbow policy makes assistant general manager Gene Buckley Rainbow's acting general manager in the absence of the general manager so no Rainbow board vote was required to make Buckley the acting general manager upon Brady's resignation.

The joint powers agreement allowed for a termination provision after one year, and on March 5 Rainbow's board voted 4-1 with Dennis Sanford in opposition to terminate the joint powers agreement with FPUD. Rainbow board president George McManigle delivered the 30-day notice of termination to FPUD on March 6, so the JPA will be dissolved effective April 5 unless FPUD obtains another partner.

The FPUD board responded by pursuing the merger unilaterally. "The Fallbrook board and the Rainbow board have been working through the JPA process and have decided on a number of things," Brady said. "It's my sense that the Fallbrook board believed that as many issues had been settled as what was going to be, so they thought it would be appropriate to submit to LAFCO."

"I think that FPUD has acted irresponsibly," McManigle said. "Rainbow followed the spirit of the letter of the joint powers authority."

The Local Agency Formation Commission has an eight-member board consisting of two county supervisors (currently Bill Horn and Diane Jacob), one San Diego City Council member (currently Lorie Zapf), two city council members from the county's other 17 incorporated cities (currently Sam Abed of Escondido and Jim Janney of Imperial Beach, two special district board members (currently John Ingalls of the Santa Fe Irrigation District and Bud Pocklington of the

South Bay Irrigation District), and one public member (currently Rainbow Municipal Water District resident Andy Vanderlaan). LAFCO is responsible for handling jurisdictional boundary changes including annexations, consolidations, detachments, dissolutions, and city incorporations.

"I don't see how it affects Rainbow at this time," McManigle said. "We have our own concerns."

Although the support of both agencies would not be required for LAFCO to process the consolidation request, input from the Rainbow board as well as input from Rainbow residents during the public hearing on the merger recommendation would be part of the process.

"The Rainbow board of directors has certain opportunities to weigh in on Fallbrook's application," Brady said.

"Rainbow will act responsibly," McManigle said.

"We can also put an application into LAFCO with our own terms," McManigle said. "They defined their terms. We can define our terms. I'm not saying we're going to, but there's nothing to stop us from doing it."

If the LAFCO board approves the merger, sufficient petition signatures from residents of either district would trigger a public vote although the election would be for the two districts combined and the merger thus could be approved even if a majority vote from one of the districts opposes the merger.

The North County JPA held a special meeting March 13 to discuss Rainbow's withdrawal from the JPA and the LAFCO application, although those items involved discussion rather than votes. "Neither one of them really resulted in anything other than discussion," Brady said.

"The fact of the matter is Rainbow sent notice that they were dropping out," McManigle said. "It was a waste of time to continue because nothing was going to change."

"On the second item there was a great deal of discussion on the fact that Fallbrook had decided to go ahead with the application on its own," Brady said. "It didn't amount to any decisions or any vote or action."

The oral and written reports section of the March 13 agenda included director comments and reports; although the board cannot take official action board members can request that staff investigate a possibility and return to the board in the future for a possible vote. JPA president Milt Davies, who is on the FPUD board, gave Brady direction to seek another agency for the JPA to replace Rainbow.

"The Fallbrook board members emphasized that they would prefer to keep the JPA structure in effect and therefore they would be interested in finding another partner," Brady said.

In addition to FPUD and the Valley Center Municipal Water District, the Rainbow district borders the Vista Irrigation District and the San Marcos-based Vallecitos Water District. Rainbow also borders the City of Oceanside and the Eastern Municipal Water District in Riverside County. FPUD borders Rainbow, Camp Pendleton, and Riverside County's Western Municipal Water District and Rancho California Water District.

The special meeting may not be the final North County JPA meeting even if the JPA is dissolved as of April 5. The board meets on the first Wednesday of the month, although the March 5 meeting was cancelled due to the lack of any agenda items. The next North County Joint Powers Authority meeting is scheduled for April 2.

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ConFire's Quest for Additional Revenue

By Nick Marnell

When the final draft of the Fitch Report was presented to the Board of Supervisors in February, the document offered no ideas for revenue generation for the Contra Costa County Fire Protection District. The report focused mainly on how the struggling district could improve its service model. "As a fire chief, I've looked for revenue sources for 40 years and found none that were sustainable or reliable," said Jim Broman, the Fitch consultant who made the presentation.

ConFire chief Jeff Carman did not accept that message. He recently outlined his ideas for securing additional revenue for the district, his first notion being the implementation of a first responder fee, a fee-for-service program that he proposed to the Board of Supervisors at its March 11 meeting.

A portion of your property tax bill has traditionally been allocated to fire departments to protect just that - property. But fire districts have expanded their service models over the years to include medical calls, technical rescue operations, hazardous materials responses and the like. As long as times were good, there were no issues providing these and other services.

Times are no longer so good, acknowledged Carman, and revenue needs to increase; at least, to offset the expenses of responding to these non-property protection incidents. "We have to find a way to stabilize our revenue streams, so that is my main priority for the district while I am here," he said.

Carman's proposal will enable ConFire to collect a first responder fee for the assessment and treatment of medical patients at the scene. At \$416 per incident, to be billed to insurance companies, Carman expects the district will generate over \$1 million per year. The insurance companies benefit, he said, because it will cost them less in the long run to have quality care provided early in a medical emergency. Under a similar, but not identical, program, the Moraga-Orinda Fire District budgeted more than \$1 million in ambulance fee revenue this fiscal year.

The Board of Supervisors agreed in principle with Carman's proposal, but supervisors Federal Glover and John Gioia asked Carman to perform more due diligence on its implementation. "We want to be sure we are not violating our responsibilities to the California Welfare and Institutions Code," said Gioia, referring to the county's duty to provide health care services to indigent and dependent poor persons and those otherwise incapacitated.

Other ideas Carman discussed included using the ConFire training division to generate revenue. He explained that the cost of running the division could be offset by allowing colleges and other organizations to use the training facility to provide high level fire service education. "We are fortunate enough to have a facility like we do, and many of our neighbors do not," he said. "We could host training classes at our facility and invite our neighbors. They can attend classes close to home, we collect tuition costs and it is a win/win for all."

The chief envisioned a similar situation involving his maintenance facility, providing repair work for neighboring agencies that do not have their own shop. "If we determine we have extra capacity in our shop, we could contract with those neighboring agencies to bring their equipment to us," said Carman. "It would save them travel time and money, and it could support our fleet maintenance program." He also threw out the possibility of performing mobile repairs on other agencies' apparatus, potential for yet more revenue.

"With our areas of expertise and specialty, including our communication center and radio service programs, we can provide a better and more economical service to our co-operators," said Carman. "We all win!" Other than for the first responder fee program, he did not estimate revenue figures.

First comes internal house cleaning, though. ConFire's lead mechanic retired in February, and the district is considering an organizational change in the fleet maintenance division. Lewis Broschard was recently promoted to assistant chief of support services, and one of his first goals is to improve the performance of the district's communications center.

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But They'll Certainly Be Well Protected

By Nick Marnell

Station 41 captain Anthony Perry, on behalf of the nearly two dozen firefighters standing behind him, sent the board a message regarding the labor negotiations at the March 19 meeting of the Moraga-Orinda Fire District. "We're not here to impede your meeting," said Perry, one of the district's Local 1230 representatives. "We've had some positive things occur and it's clear evidence that both sides are working hard on a solution. We hope that an agreement can be reached soon." The district declared an impasse in the negotiations in January, but one month later accepted the union's request to enter into mediation. Vince Wells, the union president, had publicly expressed his gratitude and the presence of the rank and file seemed to endorse his position. The firefighters stayed until the end of the meeting and contributed during public discussion of the main agenda item.

Real estate developer City Ventures, Inc., has proposed a 36-unit townhome project to the Town of Moraga, to be constructed on a site adjacent to MOFD station 41. Fire chief Stephen Healy presented the latest update on the project: that the developer agreed to construct a sound wall along the property line shared with the district in an attempt to minimize noise for the residents.

The first to object was director Fred Weil. He lambasted the idea that the sound wall will provide noise protection. He predicted that the development's proposed hiking trail will impede the ability of the district to reconstruct station 41. And he demanded that residents be warned of the fact that fire service training will be going on at all hours on MOFD property. "The fire district was there first," he said. "I will not agree to further degrade that site. It's the wrong place to put (the development), and I would like the board to tell the council that it's the wrong place to put it."

Director Kathleen Famulener offered that constructing a children's playground adjacent to the district's training facility was a terrible idea. "We need to fight now to have it built on the other end of the development," she said. "The first 3-year-old who cries because he's afraid of the chain saw noise, we're going to lose."

"We could no longer flow water during our training," added Perry. "Since water can shoot several hundred feet, we would no longer be able to use our hoses by the playground."

All of these objections can be stated in the covenants, conditions and restrictions of the homeowners' association, said director Steve Anderson: "There's a fire station next to you, and there's going to be a lot of smoke and a lot of noise." Board president John Wyro agreed that the compatibility issues need to be addressed, and the board authorized Healy to present the district's concerns to the Moraga Planning Commission in late April.

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Risky Business

By Nick Marnell

The politics and the dangers of the firefighting industry collided at the March 20 meeting of the Lafayette Emergency Services Task Force.

The initial focus of the meeting was the status of fire station 46, the proposed joint venture between the Contra Costa County Fire Protection District and the Moraga-Orinda Fire District. ConFire chief Jeff Carman, who spent most of his day involved with a three-alarm brush fire in Pittsburg, reported that he and chief Stephen Healy of MOFD were closer than they have ever been to an agreement on the station. But he needed to know the position of the task force.

"Do you get behind 46 and support it? Or, are you still going to seek detachment? I need to decide where to put our emphasis," he said. Carman did not want to present a station 46 plan to the Board of Supervisors and have it be simultaneously reported that the Lafayette task force was still looking at detachment from ConFire. "The chief has a point here," said Steven Falk, city manager. "If there's a risk that Lafayette will detach, why invest \$1 million?" He proposed that detachment efforts could be put on hold until Carman received an answer from his board. Co-chair Traci Reilly agreed, saying that she'd be in favor of "hitting the pause button. We're in charge of how we pace this process," she said.

Task force member Peter Clark did not agree. He said that station 46 will not be a cure-all, and that the committee should continue to explore all options for providing fire service to the city. "The ConFire model is not sustainable, with an intractable financial problem," added committee member Rich Cunningham.

As Cunningham spoke, an obviously preoccupied Carman ran across the room and ushered Falk out of the meeting. An ashen Falk returned to his seat while Carman grabbed his assistant chief and two ConFire captains and shot out of the room. "One of our chiefs has been in an accident," said Carman.

The station 46 discussion ceased. And in one of the many ironies of the evening, Pat Frost of Contra Costa Emergency Medical Services began her presentation on the state of the county's EMS system.

ConFire captain Chris Leimpeter returned to the meeting and relayed that the injured firefighter had been rushed from Pittsburg to John Muir Hospital, where his condition was improving.

"It's the worst thing that can happen in your career," said Carman, who discussed his initial reaction to the emergency call. "It pains you ... it's an out of control feeling, for someone who is used to always being in control."

The politics of the firefighting business - as discussed by those at the task force meeting - continue to be wrought with delay and frustration. The dangers of the firefighting business - impressed upon those at the task force meeting - resulted that day in a near tragedy.

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Board prepares to close Doctors Medical Center if new funds don't emerge

By Robert Rogers *Contra Costa Times Contra Costa Times*
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SAN PABLO -- Doctors Medical Center could be forced to close as early as July 25 if several funding streams don't emerge in the coming months, according to a contingency plan presented to the West Contra Costa Healthcare District board of directors Wednesday.

"While we are optimistic that district residents will support our hospital in great numbers, it is incumbent on hospital leadership to prepare for the worst, and that is what this contingency planning is all about," board Chairman Eric Zell said in a prepared statement.

The hospital, which employs just under 1,000 people and projects a \$16 million deficit this year, has the largest emergency room in West County and serves residents of all backgrounds when they suffer heart attacks and strokes.

The board in January authorized a parcel tax mail-in ballot election in May in hopes of averting closure and making the long-struggling hospital more attractive to potential partners. The proposed parcel tax is 14 cents per square foot of developed property, or about \$210 annually on a 2,000-square-foot house, and would raise about \$20 million a year. The proposed tax is much larger than two previous taxes approved by district voters since 2004.

For DMC to remain open through the year, three bundles of new funds must emerge, according to the presentation.

First, DMC needs \$3.5 million by May. Second, district voters must approve the parcel tax by a two-thirds vote on a mail-in ballot that will go out April 6 and is due May 6. Third, the hospital must get about \$13 million in bridge funding this summer to operate into December, when the parcel tax funds would start coming in.

"Should we fail at any of these, the hospital will close," according to a staff document.

DMC officials are banking on about \$5 million in funding to come from a deal recently struck with a nearby casino to lease part of its parking lot, but the rest of the funding has not emerged. Late last year, the board sent a letter to Kaiser Permanente, which operates a hospital in Richmond that would be flooded with new patients if DMC closed, asking for \$20 million.

"We have several irons in the fire," hospital spokeswoman Remy Goldsmith said, referring to entreaties to area hospitals and other entities for funds, "but no commitment yet."

Kaiser spokesman Jessie Mangaliman said Wednesday that Kaiser has provided more than \$20 million to DMC since 2006 but stopped short of saying more funds would be forthcoming.

"It has long been our hope that Doctors Medical Center and the West Contra Costa Healthcare District board could work together to develop a plan that would ensure a successful and sustainable future for the hospital," Mangaliman wrote in an email.

The hospital's \$143 million operating budget is strained under the weight of its mostly uninsured and underinsured patients. DMC is the leading provider of hospital care to the area's Medicare and Medi-Cal patients, and cuts to Medicare reimbursement rates have exacerbated the fiscal straits, Goldsmith said.

Board member Dr. Sharon Drager said that if DMC closes, it will trigger a ripple effect throughout the community, including broader economic contraction and a reduction of doctors' offices because many physicians would not be inclined to operate in an area with no hospital. "West County will become a medical desert," Drager said.

If the parcel tax fails on May 6, the board plans to vote for closure and notify employees within two days. The emergency department, which sees 40,000 patient visits annually, could close about July 18, while the hospital could close completely on July 25.

But passing the parcel tax may prove difficult, as West County residents have shouldered a mounting burden of hospital and school district taxes in the last decade. "Property owners here are already some of the most heavily taxed in the nation," said Mike Ali Kinney, a resident and anti-tax advocate. "We can't take any more taxes."

County Supervisor John Gioia, also a board member, said the choice ultimately will be up to the community to pass the tax.

"This is the last-ditch effort," he said.

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California Drought: After years of overpumping groundwater, state may be ready for reforms

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For nearly 50 years, California has passed sweeping environmental laws that limit private property for the common good -- from the nation's toughest automobile pollution standards to curbs on clear-cutting forests to rules requiring that developers keep beaches open to the public.

However, when it comes to preserving one of the state's most critical and politically divisive resources -- billions of gallons of groundwater that are vital to farms and cities -- California lawmakers and voters have done almost nothing.

Now, driven by the historic drought and new pressure from Gov. Jerry Brown, the chances of reform appear better than ever.

Decades of intense pumping have dropped water tables dangerously low in places such as the San Joaquin Valley and Paso Robles. Scientific studies show that the ground is sinking in some places and that aquifers are at risk of running dry.

"Some people have had the attitude that our groundwater will be here forever," said John Garner, who grows rice and walnuts on 600 acres in Glenn County, 80 miles north of Sacramento.

"But now they realize that 'Holy cow, we could have an impact here and to protect ourselves -- although not everybody is there yet -- they realize they probably really should start better management.'"

Over the past six months, farmers, environmentalists and urban water districts have been holding workshops, hearings and private meetings in Sacramento to discuss how to preserve the state's depleted groundwater.

In years past, the Farm Bureau and other powerful agricultural groups fought nearly every attempt at statewide rules.

"Opponents have attacked it as an attack on property rights," said Lester Snow, former director of the state Department of Water Resources. "But the irony is that you need rules to protect property rights. Today there is a whole different tone in this conversation."

Now, for the first time, some farm groups are open to discussing measures to require landowners to report the amount of groundwater they pump, probably to local agencies. The rules could require installing meters on some wells and even limiting how much water is taken out of the ground.

Depending on what bills emerge in the Legislature this summer, counties and local water districts also may be given the authority to collect fees, or "pump taxes," from farmers and other well owners to pay for programs to restore groundwater basins.

Santa Clara County has had a pump tax in place since 1964. Because of farming and population growth, the water table fell 175 feet from 1915 to 1965. Since then, after years of the Santa Clara Valley Water District putting water back underground in wet years, the water table has returned to where it was a century ago.

Statewide, the details are complex. But the basic problem is simple.

California is largely arid. Most of the state, including San Jose, Los Angeles and much of the Central Valley, receives only 15 inches of rain a year on average, the same amount as Casablanca, Morocco. So far this year, those places have received only 4 or 5 inches of rain.

Although reservoirs, creeks and rivers provide the bulk of the state's drinking and farm irrigation water, groundwater provides 30 percent of the water for farms and cities in most years, and as much as 60 percent in dry years such as this one. When reservoirs run low, farmers and cities furiously pump more water from the ground.

However, in many parts of the state, they don't put any back. Overall, California pumps out about 2 million more acre-feet a year than is recharged, according to state estimates. That's enough water for 10 million people a year.

"It is similar to federal budget deficits, except that the government cannot print more water, nor can we borrow it from Chinese banks," said Jonas Minton, with the Planning and Conservation League, an environmental group in Sacramento.

California uses more groundwater than any other state. Other dry Western states, such as Arizona, New Mexico and Colorado, require property owners to obtain a permit from the state to pump groundwater, and make data on well pumping public as a tool to manage aquifer levels. California does not.

Many California farmers remain wary of any new controls, however.

"For farmers down here, there is a lot of concern," said Ryan Jacobsen, whose family grows grapes on 640 acres south of Fresno.

"It's no secret that groundwater is what allows farmers to get through these critically dry years. And when you start talking about what could be some very substantial regulations and restrictions, that's going to hamper their operations."

Jacobsen, who is also executive director of the Fresno County Farm Bureau, said that for any rules, local oversight is key, as is building new reservoirs to help store more water.

Ironically, it may be a change in the type of crops grown that could lead to reforms. In many areas, expensive permanent crops, such as almond orchards and wine-grape vineyards, are replacing row crops and pasture land that can be fallowed in dry years.

"It's in the economic interest of these high-value crops to make sure there is enough groundwater to get through droughts," said Jay Lund, director of the Center for Watershed Sciences at UC Davis.

With farmers all over the Central Valley spending hundreds of thousands of dollars to drill deeper wells, often competing with their neighbors for the same water, pressure is mounting.

"I have people come up to me all the time and say, 'You guys have got to do something, just don't tell anyone I told you that,'" said Felicia Marcus, head of the State Water Resources Control Board.

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