



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, March 9, 2016, 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.

MARCH 9, 2016 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 February 10, 2016 regular LAFCO meeting
6. **Informational Presentation** – Dublin San Ramon Services District: Impact of the Drought in 2016

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

7. **Fire & Emergency Medical Services (EMS) MSR Progress Report** - the Commission will receive an update on the status of the 2nd round Fire/EMS MSR
8. **Castle Rock County Water District Update** - the Commission will receive an update on the status of the District's activities and accomplishments in response to the issues identified in the 2nd round Water/Wastewater MSR

BUSINESS ITEMS

9. **Proposed Budget and Work Plan for FY 2016-17** - the Commission will be asked to approve the proposed budget and work plan for FY 2016-17 **Public Hearing**
10. **West Contra Costa Health Care District (WCCHCD) Special Study** – the Commission will be asked to consider initiating a special study relating to governance options, including dissolution, for the WCCHCD; approve a budget adjustment in the amount of \$25,000; authorize an appropriation in that amount from the contingency reserve; and authorize the LAFCO Executive Officer to execute a contract with Berkson Associates to prepare the special study, with a contract term from March 10, 2016 through August 31, 2016 in an amount not to exceed \$25,000.
11. **Proposed Update to Contra Costa LAFCO's Legislative Platform** - the Commission will be asked to approve minor revisions to its Legislative Platform consistent with the CALAFCO 2016 Legislative Policies
12. **CALAFCO Legislative Report – Update and Positions** – the Commission will receive a legislative update and be asked to provide direction regarding legislative positions.
13. **Agriculture & Open Space Preservation Policy** - receive report from the Policies & Procedures Committee and provide direction.

CORRESPONDENCE

14. Correspondence from Contra Costa County Employees' Retirement Association (CCCERA)

INFORMATIONAL ITEMS

15. Commissioner Comments and Announcements
16. Staff Announcements
 - CALAFCO Updates
 - Pending Projects
 - Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting – April 13, 2016 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

February 10, 2016

March 9, 2016
Agenda Item 5

Board of Supervisors Chambers
Martinez, CA

1. Chair Rob Schroder 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 Alternate Tom Butt.

County Members Federal Glover and Mary Piepho and Alternate Candace Andersen.

Special District Members Mike McGill and Igor Skaredoff and Alternate Stanley Caldwell.

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 Blubaugh, second by McGill, Commissioners, by a vote of 7-0, adopted the agenda.

AYES: Blubaugh, Butt (A), Glover, McGill, Piepho, Schroder, Skaredoff

NOES: none

ABSENT: Tatzin (M)

ABSTAIN: none

5. Selection of Officers

Upon motion of Glover, second by McGill, Commissioners, by a unanimous vote of 7-0, appointed Commissioner Mary Piepho as Chair for 2016 and Commissioner Don Blubaugh as Vice Chair for 2016.

AYES: Blubaugh, Butt (A), Glover, McGill, Piepho, Schroder, Skaredoff

NOES: none

ABSENT: Tatzin (M)

ABSTAIN: none

A presentation was made to Commissioner Schroder of a resolution thanking him for his work as Chair for the period of May 2014 through January 2016.

Commissioner Schroder then left the meeting and Chair Piepho took the gavel.

6. Public Comments

Marilynne Mellander spoke on the need for an immediate review of West Contra Costa Healthcare District, citing the closure of Doctors Medical Center and the recent sale of the property to a hotel operation, its multi-million dollar debt, and lack of oversight and fiduciary responsibility.

7. Approval of January 13, 2016 Meeting Minutes

Upon motion of McGill, second by Blubaugh, the minutes were approved by a vote of 5-0, with Commissioner Butt abstaining.

DRAFT

AYES: Blubaugh, Glover, McGill, Piepho, Skaredoff
NOES: none
ABSENT: Schroder (M), Tatzin (M)
ABSTAIN: Butt (A)

8. Request to Transfer Jurisdiction from San Joaquin LAFCO to Contra Costa LAFCO

The Executive Officer noted that there are several multi-county districts where Contra Costa LAFCO is not the principal LAFCO. The principal LAFCO is that LAFCO which has the largest portion of assessed value within the district and thus by law has jurisdiction over boundary changes. LAFCO law allows for the transfer of jurisdiction so long as the principal LAFCO agrees to transfer, and the receiving LAFCO agrees to assume jurisdiction.

This request for a transfer of jurisdiction relates to a County application submitted to both Contra Costa and San Joaquin LAFCOs to detach territory from Byron Bethany Irrigation District (BBID) as it overlaps with the Town of Discovery Bay Community Service District's (DBCSD) boundary. The Contra Costa County Board of Supervisors also requested that jurisdiction be transferred to Contra Costa LAFCO given that the subject territory is located in this County. The subject territory receives municipal services, including water service, from DBCSD. BBID is not currently providing water service to the subject territory, and it is unlikely that BBID will provide water service to this area in the future given that the districts have different water sources.

Upon motion of McGill, second by Blubaugh, Commissioners, by a 6-0 vote, agreed to assume exclusive jurisdiction for this proposal, and authorized LAFCO staff to send a letter to San Joaquin LAFCO requesting a transfer of jurisdiction.

AYES: Blubaugh, Butt (A), Glover, McGill, Piepho, Skaredoff
NOES: none
ABSENT: Schroder (M), Tatzin (M)
ABSTAIN: none

9. Request to Transfer Jurisdiction from Alameda LAFCO to Contra Costa LAFCO

The Executive Officer reported that this request for a transfer of jurisdiction relates to an application from a property owner to annex 5.9± acres to East Bay Municipal Utility District (EBMUD), which has been providing water to the property since 1987.

Alameda and Contra Costa LAFCOs have adopted *Procedures for Processing Multi-County Changes of Organization or Reorganization - Alameda and Contra Costa LAFCOs*. Alameda and Contra Costa LAFCOs have a history of transferring jurisdiction. These procedures provide for an initial review and consultation by the LAFCO Executive Officers, which has occurred.

Upon motion by Blubaugh, second by Glover, Commissioners, by a 6-0 vote, agreed to assume exclusive jurisdiction for this proposal, and authorized LAFCO staff to send a letter to Alameda LAFCO requesting a transfer of jurisdiction.

AYES: Blubaugh, Butt (A), Glover, McGill, Piepho, Skaredoff
NOES: none
ABSENT: Schroder (M), Tatzin (M)
ABSTAIN: none

10. Fiscal Year 2016-17 Budget Schedule/Work Plan Preview

The Executive Officer introduced a preliminary work plan for FY 2016-17, which included goals and objectives such as MSRs & SOI updates, policies & procedures updates, and other projects.

Second-round MSR options were listed, with special emphasis on healthcare services, which would be timely in light of West Contra Costa Healthcare District's (WCCHCD) winding down of its operations.

Commissioner McGill stated that a special study of WCCHCD might be in order so that the district could perhaps avoid having to hold a costly election in November. He also is concerned about Castle Rock County Water District (CRCWD) and would like to follow up on that, as well as Rollingwood-Wilart Park Recreation and Park District (RWPRPD).

Commissioners were concerned that an immediate special study of WCCHCD could be redundant if a health care services MSR were to be scheduled for FY 2016-17, but also felt that it is critical to put such a study on a fast track.

Staff reported that Fred Allen from CRCWD recently sent a letter with an update, and that will be placed on the March or April agenda so that Mr. Allen can make a report in person.

Staff has proposed looking into some additional costs that would be part of succession planning for this LAFCO: a move to office space at 40 Muir Road, provided by the Department of Conservation and Development, and the hiring of an additional staff person.

While Commissioners are reluctant to see additional budget costs due to a move passed on to local agencies, Commissioners Glover and Piepho noted that the future of the County Administration Building is tenuous, so a move might be timely.

Upon motion of Blubaugh, second by McGill, Commissioners, by a 6-0 vote, directed staff to present a Proposed Budget for review and approval at the March 9, 2016 LAFCO meeting with the following options included: second-round MSRs for health care services and cities/community service districts; relocation of LAFCO offices; additional staffing; and special studies for WCCHCD and RWPRPD. Further, staff was directed to present a Final Budget for review and approval at the May 11, 2016 LAFCO meeting.

AYES: Blubaugh, Butt (A), Glover, McGill, Piepho, Skaredoff

NOES: none

ABSENT: Schroder (M), Tatzin (M)

ABSTAIN: none

11. Correspondence from CCCERA

There were no comments on this item.

12. Commissioner Comments and Announcements

Commissioner Skaredoff noted that, regarding an article included in their packet about the Peninsula Open Space Trust (POST) in San Mateo County, he could invite the San Mateo Resource Conservation District (the oldest of its kind in the state) to come share its experience with POST.

Also, Commissioner Skaredoff attended the California Water Action Plan 2016 update (also known as CalWater 2.0) rolling out the Governor's plan on water; one key item highlighted co-equal goals in the Delta; another item noted that drought measurements should be in place permanently. One section was devoted entirely to the Delta.

Commissioner McGill reported that he attended the CALAFCO Legislative Committee on January 22nd in San Diego, and the CALAFCO Board meeting in Irvine on February 5th. The Board updated its legislative policy, which will mean that this LAFCO's policy will need to be updated to reflect those changes. Commissioner McGill will attend another CALAFCO Legislative Committee meeting on February 26th in Sacramento.

Commissioner Skaredoff also noted that the Contra Costa Special Districts Association held an election for its officers, and that in the absence of a quorum, Commissioner McGill withdrew from a contested bid for member at large in order for the position to be filled without a vote.

Chair Piepho thanked commissioners for their electing her as chair for 2016.

13. Staff Announcements

The Executive Officer reported that staff is looking forward to attending the 2016 CALAFCO Staff Workshop, which will be held in Universal City at the end of March, and that Kate Sibley is working on a timely and important session on water.

Also, staff attended the CALAFCO Legislative Committee on January 22nd, and reported that the Committee is working on the annual omnibus bill, legislation regarding LAFCOs and JPAs, and cleanup of SB 88.

The meeting adjourned at 2:18 p.m.

Final Minutes Approved by the Commission March 9, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer



Lou Ann Texeira
Executive Officer

MEMBERS

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

ALTERNATE MEMBERS

Candace Andersen
County Member
 Sharon Burke
Public Member
 Tom Butt
City Member
 Stanley Caldwell
Special District Member

March 9, 2016
 Agenda Item 6

March 9, 2016 (Agenda)

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

Informational Presentation – Dublin San Ramon Services District

Dear Members of the Commission:

This is the sixth in a series of presentations from local agencies in Contra Costa County regarding their water and drought management efforts. We previously heard from Contra Costa Water District, East Bay Municipal Utility District, Diablo Water District, Town of Discovery Bay Community Services District, Central Contra Costa Sanitary District and the Contra Costa County Environmental Health Department.

Today, we are pleased to welcome John Archer and Dan Gallagher with the Dublin San Ramon Services District. John joined DSRSD in 2002. He is currently serving as the Interim General Manager as well as the Administrative Services Manager, overseeing financial services, customer service, information systems, and human resources. John has 35 years of experience in finance; he is a certified public accountant and holds a Bachelor’s degree in accounting.

Dan joined DSRSD in 2006 as Operations Manager, where he oversees potable water, recycled water, and wastewater treatment and disposal. Before joining the District, Dan served as the General Manager of the Victor Valley Wastewater Reclamation Authority from 1996 to 2006. Dan has over 35 years of experience in water, wastewater, solid waste operations, engineering, and management. He holds Bachelor’s degree in Environmental Science, is a Registered Professional Engineer, and a certified Wastewater Treatment Plant Operator; and in 2003 was named “Recycled Water Advocate of the Year” by the California Section of Water Reuse.

Welcome John and Dan!

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER



Lou Ann Teixeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member
Mary N. Piepho
County Member
Rob Schroder
City Member
Igor Skaredoff
Special District Member
Don Tatzin
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member
Sharon Burke
Public Member
Tom Butt
City Member
Stanley Caldwell
Special District Member

March 9, 2016 (Agenda)

March 9, 2016
Agenda Item 7

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

Fire & Emergency Medical Services Municipal Services Review Progress Report

Dear Members of the Commission:

In October 2015, Contra Costa LAFCO initiated its 2nd round Municipal Service Review (MSR) covering fire and emergency medical services.

The consulting team of Mike Oliver and Brian Kelly of Municipal Resource Group, LLC, and Richard Berkson of Berkson Associates, were hired to prepare the MSR.

As directed by the Commission, the 2nd round MSR will concentrate on the following: 1) data updates for 11 EMS/fire service providers (three cities and eight special districts), 2) review of auto and mutual aid agreements, and 3) focus on East Contra Costa Fire Protection District (ECCFPD) and Rodeo Hercules Fire Protection District (RHFRD) and the interface with Contra Costa County Fire Protection District.

The major tasks completed to date include interviews with local agency representatives and officials, data collection, and submittal of preliminary data analysis statements and preliminary findings for specific agencies.

On March 9th, Mike Oliver will provide an oral summary of discussions with local agencies, including issues/status of focus areas (ECCFPD, RHFPD), and an overview of next steps.

RECOMMENDATION: Receive update and provide comments and direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution



Lou Ann Teixeira
 Executive Officer

MEMBERS

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

ALTERNATE MEMBERS

Candace Andersen
County Member
 Sharon Burke
Public Member
 Tom Butt
City Member
 Stanley Caldwell
Special District Member

March 9, 2016 (Agenda)

March 9, 2016
 Agenda Item 8

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

Update - Castle Rock County Water District

Dear Members of the Commission:

Background: In 2014, the Commission approved its 2nd round Water/Wastewater Municipal Service Review (MSR) which covered eight cities and 21 special districts. In conjunction with the MSR, the Commission updated the spheres of influence (SOIs) for all of the districts. The Castle Rock County Water District (CRCWD) is one of the districts covered in the MSR.

The MSR notes that CRCWD operated for 59 years without being officially recognized as an independent special district for LAFCO purposes. Through the MSR process, LAFCO confirmed that CRCWD is an independent special district subject to LAFCO’s purview.

CRCWD provides untreated water service to 137 residents (79 parcels - 55 connections), including 10 residential water customers who are responsible for treating their own water. Untreated water provided by CRCWD serves mostly residential, landscape irrigation, some commercial uses including four commercial stables. CRCWD’s service area is 150± acres, and includes properties in the City of Walnut Creek and in surrounding unincorporated areas. Some of the territory served is located outside the countywide urban limit line.

CRCWD is located within the Contra Costa Water District (CCWD) service boundary. CRCWD purchases untreated water from CCWD which is pumped from an open canal. The relationship between CRCWD and CCWD is that of customer and supplier. CCWD sells water untreated to CRCWD, and CRCWD is responsible to distribute the untreated water to its customers. CRCWD facilities include one pumping station and one holding tank with a 150,000 gallon capacity. The CRCWD’s untreated water supply and distribution system includes a small reservoir tank and a small pipeline distribution system.

CCWD operates and maintains treated water distribution facilities within the boundary of CRCWD, and approximately 80% of CRCWD residents receive treated water from CCWD as individual CCWD customers. These customers receive treated water from CCWD for domestic use, and untreated water from CRCWD for irrigation and livestock purposes. The remaining 20% of CRCWD

residents purchase untreated water from CRCWD and are responsible for treating the water themselves.

CRCWD operates as an enterprise type activity, and receives about 84% of its revenue from service charges and fees, and 16% from property tax. According to CRCWD's FY 2013-14 financial statements, the District's operating expenses were \$76,257, operating and non-operating revenues were \$83,027, and reserves totaled \$164,871.

LAFCO Municipal Service Review/Sphere of Influence Update: The 2014 MSR included the following observations/recommendations for CRCWD:

1. Transparency

- a. The District should establish and maintain a website. At a minimum, the website should include names of the Board Members (and terms of office), staff and contact information; information regarding the District's services and a map of the District's service boundary; Board meeting schedule and location, agendas and minutes; financial information including annual budgets and financial audits, contact information and other important information.

2. Infrastructure

- a. Given the age of the District's water system, and that little detailed information is known of the water supply and distribution system, a site review by a qualified engineer retained by CRCWD should be conducted of the reservoir, pump station and any ancillary infrastructure to determine its condition.
- b. A long term capital improvement program should be developed to ensure appropriate planning for major maintenance needs.
- c. There is concern that the District has no formal maintenance program.

3. Fiscal

- a. The District has a limited budget; any negative economic impact on CRCWD's property tax could have some impact on the District's operational budget.
- b. CRCWD has not adjusted rates in the recent past, and has not indicated any plans to adjust rates in the near future.

The MSR report includes two SOI options for CRCWD: 1) establish a coterminous SOI which corresponds to the District's services boundary, or 2) establish a "zero" SOI which signals a future change of organization.

On October 8, 2014, the Commission voted to adopt a zero SOI for CRCWD. The Commission also raised questions relating to water quality, treatment/testing and monitoring efforts, water conservation efforts, board succession plan, and cautionary signage (untreated water use). The Commission requested a progress report in approximately one year to address the status of those issues identified in MSR, as well as the additional questions raised in October 2014.

Update

The CRCWD has taken steps to address a number of the issues identified by LAFCO as summarized in the District's August 2105 Notice to CRCWD Members (Attachment 1) and January 2016 Board letter (Attachment 2). Of note are the following:

- The CRCWD has established a website (www.crcwd) which provides district contact information, information regarding Board meetings, financial reports, water conservation, the 2015 engineering study, a service area map, and other information. The District has also posted a “Non-Potable Water Use” alert on its website.
- In September 2015, the CRCWD completed a *Facilities Condition Assessment and Evaluation* (prepared by Paul Causey, Causey Consulting) – Attachment 3. Briefly, the assessment includes an overview of the system (e.g., pump station, pipelines, water tank, valves, meters, etc.), operations and maintenance programs, along with financial background, assets assessment, and findings and recommendations.

The assessment includes the following recommended actions for consideration by the CRCWD Board:

1. The District should open discussions with the City and CCWD to assure that they are aware of any rights and responsibilities for the facilities they are operating on the two sites.
2. The District maps are very old and do not include the entire piping system and should be updated and/or completely redone to reflect the entire piping system operated by the District. This should include both pipe sizes and pipe materials along with estimated installation dates.
3. The District Board should discuss and develop a policy for the replacement of system assets based upon sound engineering information and historical operations and maintenance expenses especially for the redwood storage tank that will be the largest single expenditure at replacement.
4. The District should inventory and create an asset register for all pumping, electrical and timer components in the pump house.
5. The District should schedule at least annual inspections of the electrical and mechanical systems in the pump station.
6. Chain and lock the second gate valve on the outside discharge header outside the pump house.
7. The District should consider a valve exercise program for at least the isolation valves at the pump station and the storage tank.
8. The District should establish a regular pump house and electrical panel-cleaning program to assure that bugs and insects do not cause failures of the electrical components.
9. Emergency phone numbers should be placed on the fence at the pump house for the reporting of unusual events or problems noticed by local passersby.
10. The shrubs along the southern fence need attention and pruning.
11. The hinges on the access door to the pump house need either repair or replacement to strengthen access to the interior of the pump house by other than appropriate persons.
12. While the main distribution pipes do not reflect current problems except in the Pine Creek area, the District should begin a process to plan for future replacements of portions of the ACP in the system prior to reaching the end of the pipes service life.

13. Develop a system to map all pipeline leaks and meter leaks to be able to visually see areas of concern for pipeline problems.
14. The storage tank is reaching the end of its useful service life and contingency plans should be prepared for the full replacement of the storage tank or a seismic evaluation of the tank done to assure survival of a major earthquake in the area.
15. The foot valve inside the redwood tank needs to be replaced and the isolation and pipe fittings outside the tank should have corrosion protect applied to these metal components.
16. The access road to the redwood tank needs to be evaluated and possibly considered for repair before the next winter.

As noted in the District's January 2016 letter, the assessment discusses the weaknesses in the District's 60 year system; and estimated costs to refurbish the CRCWD system far exceed CRCWD's reserves. The District is continuing its operations with repairs/replacement on an as-needed basis.

➤ The District indicates it will search for possible financing for infrastructure refurbishment.

Looking Ahead: Since completion of the MSR, LAFCO has discussed with representatives of CRCWD and CCWD the MSR findings and governance options, including dissolving CRCWD and having CCWD take over operation of the CRCWD water system. Neither district expressed a desire to reorganize. CRCWD feels that it has adequately served its customers for nearly 60 years, and wishes to remain an independent district. CRCWD representatives acknowledge that they can improve its administrative operations and governance as noted in the MSR, and will make an effort to do so. Further, CCWD has no desire to take over the CRCWD operations and water system for various reasons, including the age of the CRCWD system and potential liabilities.

Homeowners within CRCWD and CCWD have continued to meet and discuss the proposed connection of the 10 CRCWD members who are not currently connected to CCWD's treated water service, and the potential periodic closure of the canal in the area for maintenance purposes. There appears to be interest, provided the individual homeowners can reach agreement on the cost of service with CCWD. We understand the parties last met on February 18th, and will continue to negotiate the cost of connection of the 10 properties.

RECOMMENDATIONS: Receive the staff report and provide comments and direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments:

- 1 - August 2105 Notice to CRCWD Members
- 2 - January 2016 CRCWD Board Letter
- 3 - Facilities Condition Assessment and Evaluation

c: Fred Allen, Castle Rock County Water District
Jeff Quimby, Contra Costa Water District

NOTICE TO CASTLE ROCK COUNTY WATER DISTRICT MEMBERS AUGUST 2015

Castle Rock County Water District (CRCWD) was formed in 1955 to provide a water source to the Castle Rock and Pine Creek areas. CRCWD purchases canal water from Contra Costa Water District (CCWD). In 1974 the Comistas development was added to CRCWD. In 1989 an assessment district was formed and CCWD offered treated water to all those who lived in CRCWD boundaries.

Today, CRCWD provides untreated water to 56 property owners who live within the district's boundaries. The most common use of this water is for landscape irrigation. There remain 10 CRCWD members who have not "bought in" to CCWD treated water. Instead, these 10 families chemically treat and purify CRCWD water for home use.

In 2014, CRCWD was informed that it is now under the jurisdiction of the Contra Costa Local Agency Formation Commission (LAFCO), a statewide commission charged with the responsibility of insuring efficient management of municipal water districts. Because CRCWD sits inside the much larger CCWD geographical boundaries, LAFCO has determined that over time CCWD should absorb CRCWD. Both CRCWD and CCWD oppose that recommendation.

LAFCO's new oversight of CRCWD has included a variety of requests. First we are asked to set up a website where members can review board member information, board meeting dates, location and meeting minutes. LAFCO has asked for an engineering study of the district's water delivery infrastructure including pumps, water pipe and tanks. LAFCO has also expressed concern about the district's management of untreated water and public health as it relates to those 10 families who use untreated CRCWD water as their primary source of water for home use.

CRCWD's board has met with both LAFCO and CCWD and is working toward compliance with certain LAFCO recommendations. A new CRCWD website (www.CRCWD.org) has been created for our members, and the CRCWD board has engaged the consulting services of a local industry professional to perform an infrastructure engineering study, which is expected to be completed by October 2015. We are concerned about the additional requirements and the added expense.

All this activity has brought up issues that have been brewing for some time. CCWD sells untreated water to CRCWD, Boundary Oaks and Diablo Hills Golf Courses by operating the Ygnacio spur of its county irrigation canal. Our pump station is at Oak Grove Road near the traffic circle. Each winter, during January, February and March, CCWD shuts down their entire canal system for maintenance. During that time treated water is added to the Ygnacio spur serving CRCWD and the two golf courses.

CCWD keeps the Ygnacio canal spur operational in the off-season for the 10 members that rely upon CRCWD as their primary home water source and the two city golf courses. CCWD finds this necessity for off-season canal water service inconvenient and expensive. CCWD is planning for a long-term solution to discontinue canal water service in the Ygnacio spur during the winter months.

Toward CCWD's long-term goal, CCWD has proposed connection incentives for the 10 CRCWD members not connected to CCWD treated water service. These incentives are conditional upon all 10 members agreeing to pay for a new meter connection to CCWD treated water. Each member's connection fee varies based on the size of their lot and any requisite main line water extension, if necessary for service. CRCWD board members were asked by CCWD to solicit the 10 members interest for the proposed treated water connection incentives. There appears to be unanimous interest if a substantial price discount is offered. Any future discussions and final agreement for connection fees will occur between CCWD and the 10 individual homeowners. If all CRCWD members accept the proposed connection incentives and are connected to treated CCWD water service, the board expects that CCWD will then turn their attention to water supply alternatives for the two city golf courses with a goal to discontinue canal water delivery during the off-season.

In any event, if CCWD discontinues water service during the off-season, all CRCWD members will need to identify alternative water sources (such as using their existing CCWD service) for irrigation January through March. CRCWD is working to secure a long term commitment from CCWD for the delivery of irrigation water through the rest of the year, April through December.

It's too soon to know how all this will work out. There are many issues to resolve and it will take some time. CRCWD board members are working hard to insure a cost-effective supply of untreated water to district members for as long as possible. Please look for updates on our member website (www.CRCWD.org).

January 21, 2016

TO: Castle Rock County Water District (CRCWD) Members

FROM: CRCWD Board of Directors

RE: Progress Report

Last August we told you we came under the jurisdiction of LAFCO and what their oversight may mean to our district. Since then we addressed two of their initial issues:

- 1) We now have a website [www.crcwd.org] regarding CRCWD, board activity, finances, and contact/other important information.
- 2) A system infrastructure engineering status report has been completed. It is posted on our website. The study points out weaknesses in our 60 year old system. Estimated costs to refurbish this system far exceed our district's \$150,000 reserves.

In addition, Contra Costa Water District (CCWD) is now ready to offer connection incentives to 10 of our 56 members not taking their service. If this happens, CCWD progresses towards shutting down the canal for maintenance every January through March. Irrigation during this period would then only be available using CCWD water.

Integrating the above factors, district board members wish to reiterate to members that **our value to you is inexpensive water relative to CCWD prices**. Given this, looking forward, our infrastructure options are:

- 1) Conduct a special assessment of district members to finance infrastructure refurbishment. Engineering study estimates for complete replacement of our storage tank and/or distribution piping could mean costs between \$200,000 to well over \$1M.
- 2) Conduct a search for possible financing for infrastructure refurbishment. Depending on financing terms, the maximum principal amount before financing costs force CRCWD prices to equal CCWD prices would be in the \$200,000 - \$500,000 range.
- 3) Continue operations with repairs/replacement on an as-needed and common sense basis until a crisis/major failure occurs which either require 1) or 2) above, or ends CRCWD's viability. **This continues to be our current course of action.**

If you have any comments or suggestions, we encourage you to contact any of the directors listed on our website.

Sincerely,

Your Board of Directors

Castle Rock County Water District



Facilities Condition Assessment and Evaluation

September 2015



Causey Consulting
733 Cree Court
Walnut Creek, CA 94598

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Castle Rock County Water District Facilities Condition Assessment and Evaluation

I. Executive Summary

The Contra Costa County Local Agency Formation Commission has become aware of the existence of the Castle Rock County Water District, and requested in a September 10, 2014 letter that the District provide information and an assessment of the reservoir, pump station and ancillary infrastructure operated and maintained by the District. This California Special District provides raw untreated water to approximately fifty-five customers in the District's 150-acre service area located in Walnut Creek and unincorporated Contra Costa County. All supplied water is purchased from the Contra Costa Water District raw water canal and pumped from the District pump station through the District distribution system to a terminal redwood storage tank at a site in the Borges Ranch open space.

Most District assets were constructed in 1955 and 1956 and LAFCO is concerned that they may be approaching the end of their normal service lives. The age of these assets and LAFCO's lack of information about the operation and maintenance of the District has led to the request for a site review/study to verify the condition of the District assets by a qualified engineer. In May 2015, the District contracted with Causey Consulting to prepare the attached Facilities Condition Assessment and Evaluation Report ("Report"). Causey Consulting reviewed maintenance records and financial reports provided by the District, met with the Board President several times and conducted multiple field inspections of the pumping facilities, reservoir and distribution system assets.

The report is composed with the following sections providing the following information and assessment of the District facilities:

- Purpose of the Report
- District Description
- System Overview
- Operations and Maintenance Program
- Financial Background
- Renewal and Replacement of Assets
- Summary and Recommendations

The results of the assessment and evaluations have led to several recommendations to enhance the operations of the District assets and to recommend that the District begin the process of developing philosophy and renewal and replacement evaluations of the redwood storage tank and distribution pipelines. While the system assets are indeed old, the District has not experienced any significant repairs or unusual expenses to keep the major elements of the system operating properly and as designed. Current annual repair and replacement costs have been limited to less than 15% of the District annual expenditures. The District reserves have been adequate to fund

all necessary maintenance activities and pumping renewal and replacement since inception and as the Board becomes reactively aware of other system needs. The District maintenance philosophy is generally run to failure and this works for the pumps and for minor pipeline repairs. However the major District asset, the redwood storage tank, may require substantial expenditures for replacement in the next few years that may exceed the available reserves if proper planning and identification of funding requirements do not take place. This also assumes that the District will not suffer significant damage from seismic activity in the service area as the Board has never conducted any seismic or structural evaluation of the system assets.

II. Purpose of Report

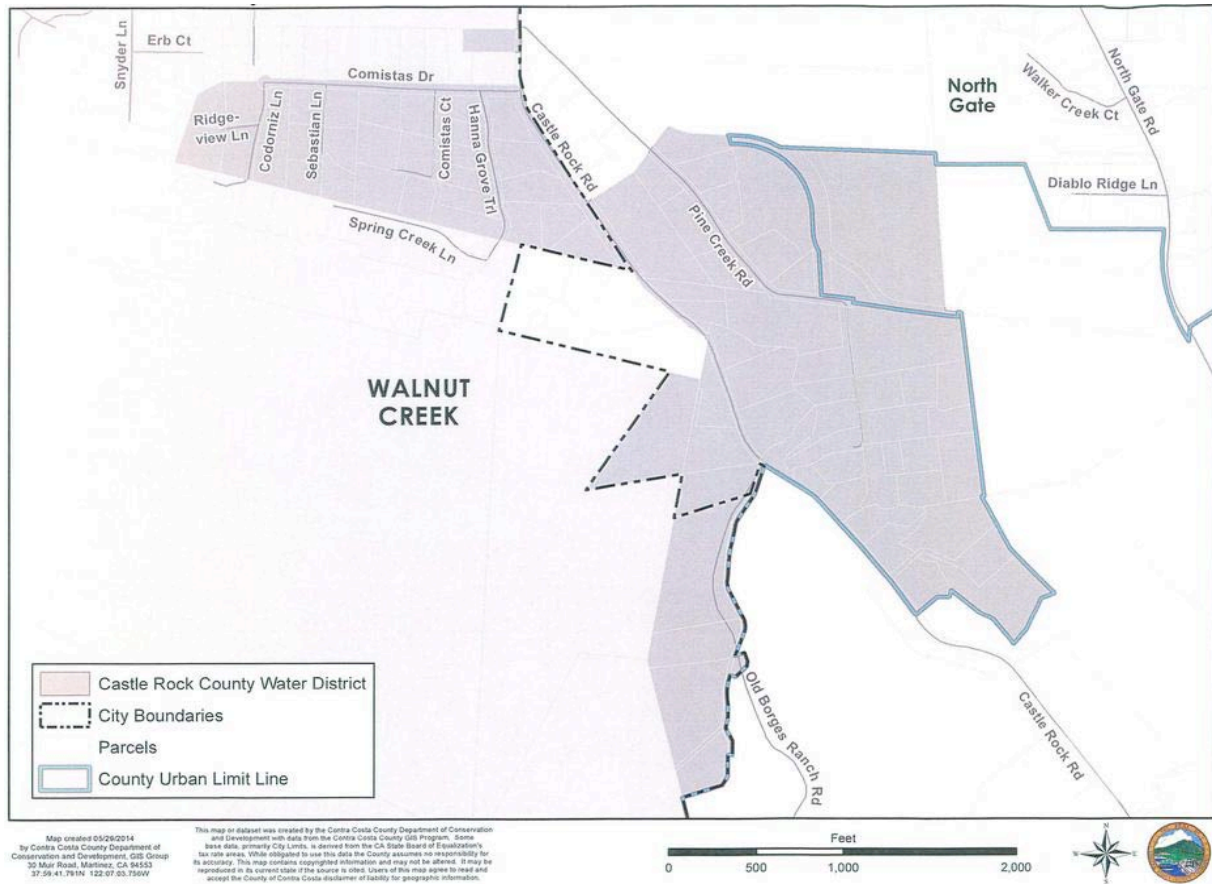
The Castle Rock County Water District (“District”) is an independent California special District located in Contra Costa County California and is responsible to the County Local Agency Formation Commission (LAFCO). Recently LAFCO became aware of the District and has since sought information about the operations and maintenance of the District and the condition of the infrastructure. In that regard, they included the District in the May 14, 2014 Combined Municipal Services Review and Sphere of Influence Study (2nd Round) (MSR) of County special districts and contacted the District directly in a September 10, 2014 letter requesting a condition assessment of the District facilities. This report is intended to provide the requested condition assessment and evaluation along with observations of the District operations.

Causey Consulting (Consultant) was hired in May 2015 to conduct the assessment and evaluation of the District infrastructure and prepare the attached report for the Board of Directors. Causey Consulting conducted a field inspection with Mr. Fred Allen, President of the Board and Mr. Richard Hoag, Board member on July 9, 2015 (see Appendices A and B for the completed inspection reports). Further site visits were also conducted on May 26th and August 7, 2015 to photograph facilities. In addition interviews with the District bookkeeper, pump station maintenance service contractor, the City of Walnut Creek and the Contra Costa Water District were conducted to develop a further understanding of the operations and maintenance of the District facilities. Finally, both Mr. Allen and the Bookkeeper provide historical documents on the facilities to further assist in the evaluation of the maintenance and financial operations.

III. District Description

The District is a small, independent county water District serving rural properties located in the City of Walnut Creek and the surrounding unincorporated Contra Costa County area. The District was formed March 17, 1955, pursuant to the California County Water District Law, California Water Code Division 12, Section 30000 et seq. A five member, publically elected Board of Directors who volunteer their services and provide some of the operations and maintenance activities of the District, governs the District. The District serves an estimated population of 137 persons living on approximately 150 acres. A map of District’s current boundary is shown in Figure 1 below. The District provides only untreated raw water to the rural service area for domestic use, landscape irrigation and commercial horse stables.

Figure 1: District Boundaries



The District has 55 connections utilizing untreated raw water for landscape irrigation, some commercial uses and four commercial stables. The District purchases untreated raw water from the Contra Costa Water District (CCWD) canal located along Oak Grove Road between Filbert Drive and Walnut Avenue in Walnut Creek (See Fig. 4). Approximately 20% of District’s customers use District water purchased in their own homes and are responsible for any/all potable water treatment for these domestic uses.

Residential zoning within the District requires lots to be a minimum of one acre in size. The service area for the District is built out, and the current service population is not expected to increase. According to the Board President, in the 1980s, CCWD expanded their service area to the Castle Rock area and offered treated water service if connection fees were paid and meters were installed by prospective customers. Only 20% of the homes elected not to connect to CCWD and the rest are provided treated, potable water from CCWD in addition to the untreated raw water from the District.

IV. System Overview – General Asset and Operations Descriptions

A. General

The District operates a single-purpose water supply operation providing raw untreated water to its customers through water system infrastructure that includes a water pump station, approximately 22,700 linear feet of pipelines ranging from 1-1/2 inches to 8 inches in diameter and one approximately 125,000 gallon redwood water storage tank. The majority of these assets were installed new in 1955 and 1956 with the exception of the redwood storage tank that was purchased used and installed at that same time. The only major addition to the system occurred in the mid-1970s in the Comistas Drive area.

The District purchases all water sold from the CCWD raw water canal located at Oak Grove Road in Walnut Creek. There have been times when CCWD conducts maintenance on the canal and CCWD supplies treated water to the pump station and the District sells this water in the service area during these times. CCWD has recently indicated their desire to interrupt the availability of water in the canal annually in winter for maintenance and is working with the District to manage and coordinate this issue with the Board of Directors.

The District purchased 28,843,080 gallons in 2013, 20,728,000 gallons of water from CCWD in 2014 and has purchased 8,098,000 through June 2015. The average monthly purchases range from 3,795,787 gallons to a low of 553,000 gallons during the winter. CCWD has reduced the Districts purchases in the second half of 2015 to 20% of the gallons purchased in 2013. Figure 2 and 3 below provide graphs of the monthly and average water consumption from the monthly CCWD water bills.

Currently District employs several service contractors to assist with the operations, administration and billing of District activities on an as needed or reactive basis. The Board of Directors handles all meter reading, minor repairs to District facilities supported by service contractors for larger repairs. These service contracts include pump station and electrical operations and maintenance, major pipeline repairs and replacements and major tank and access road maintenance as needed to assure proper access and operation of the storage tank.

Due to the early date of installation of the District assets, no seismic evaluations have ever been conducted on these facilities and this report did not include any seismic evaluation as part of the scope of work. In addition, the Consultant has not been made aware of any formal evaluation of the structural integrity of the wooden storage tank as part of our evaluation. If this tank were to remain in service, it would be appropriate to consider a structural and seismic evaluation of the tank in the future.

Figure 2: Water Purchased, Gallons

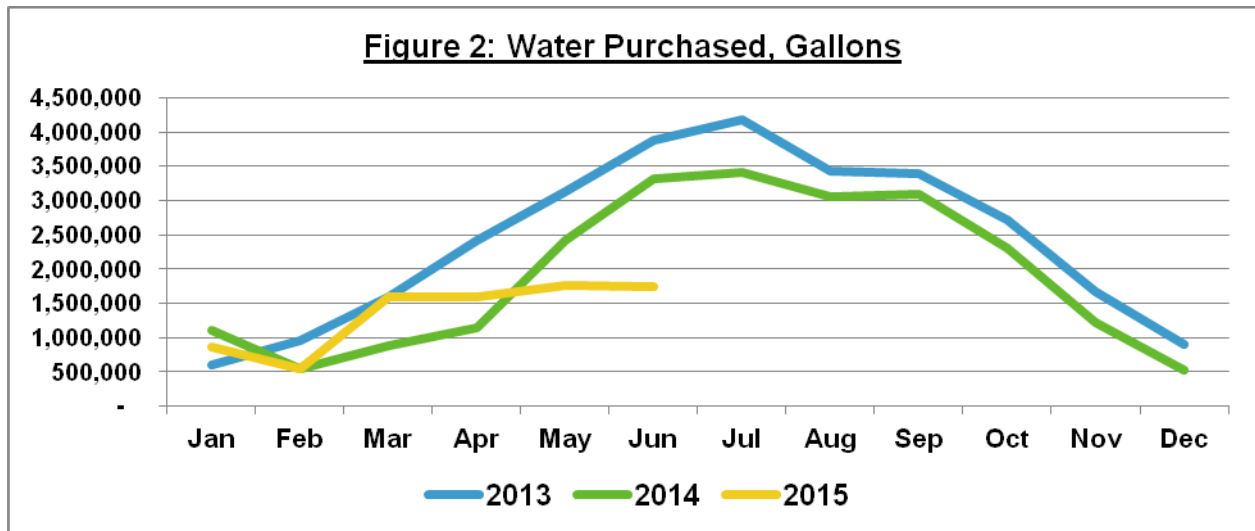
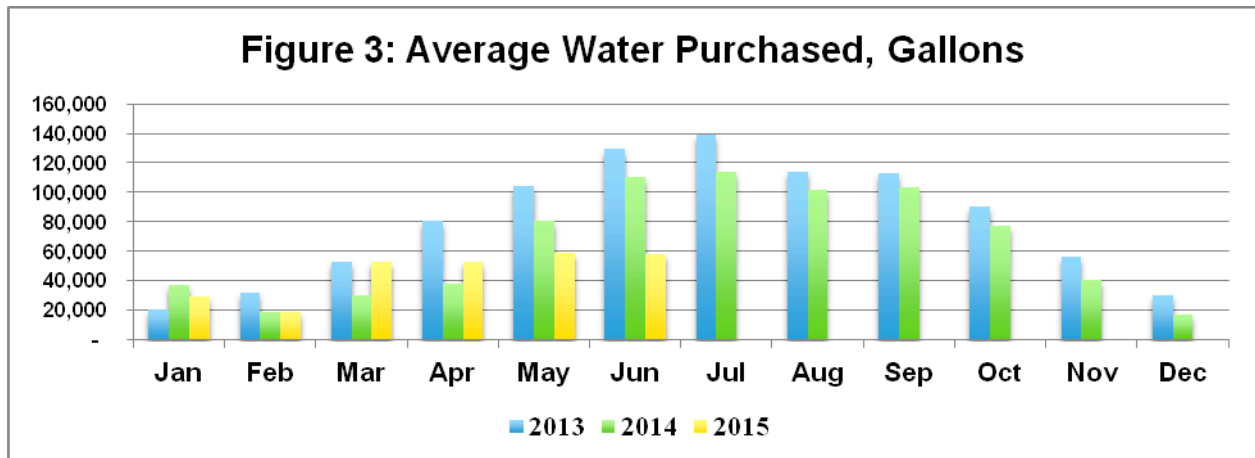


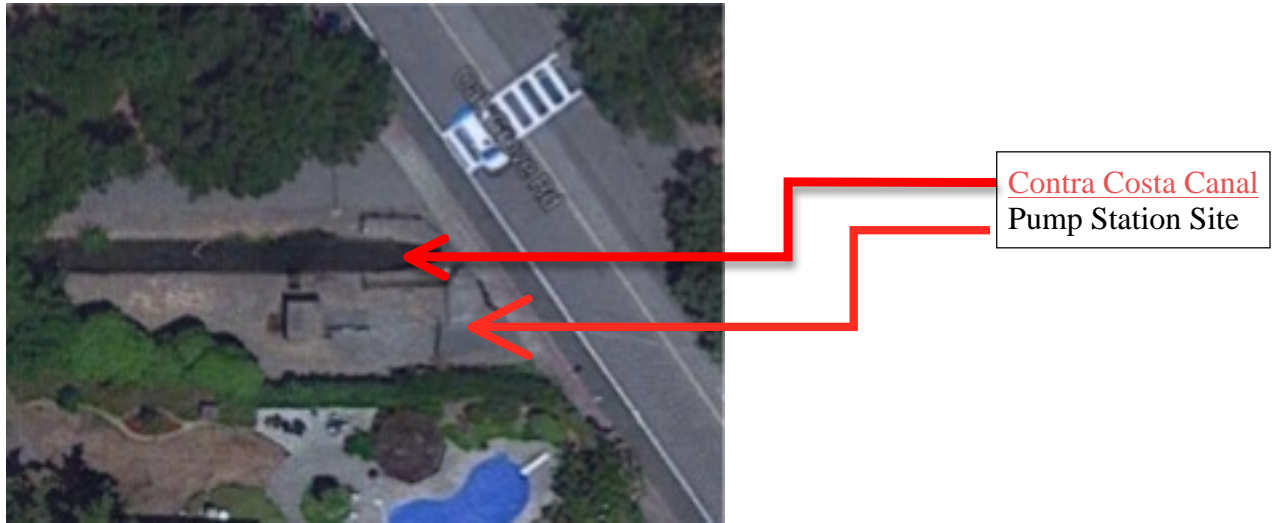
Figure 3: Average Water Purchased, Gallons



B. Pump Station

The District purchases all water distributed in the service area from the CCWD canal located along the southbound lane of Oak Grove Road in Walnut Creek between Filbert Drive and Walnut Avenue. See Figure 4 below. The pump station inlet is located on the west side of Oak Grove Road and the south side of the canal. The pump station is located within a six foot fenced area immediately adjacent to the canal which is on United States Bureau of Reclamation right-of-way. The fenced area does not prevent access to the pump house and discharge piping. There does not appear to be an easement or an access agreement between the District, the CCWD or the Bureau of Reclamation for the use of this site. Contacts at CCWD were not able to locate any original documentation for the use of this site for the pump facilities.

Figure 4: Pump Station Site



The area inside the fence includes a pump house, discharge piping, CCWD metering, dedicated telephone service for pump operation, and a PG&E 240/480 volt power drop to the pump house. The fenced site has no lighting inside the fence however there is a City street light located approximately 50 feet south of the canal right-of-way that does provide all of the lighting for the site. The discharge of the untreated water from the pump house is at an approximate elevation of 176 feet above sea level.

Raw untreated water enters the pump station through a bar screen in the concrete lining of the canal (See Fig 5). The water then enters the wet well where two (2) hollow shaft motors are available to pump the untreated water to the District service area and the terminal redwood stave storage tank described below. The wet well is 8.33' x 6' x 7.5 and contains an approximate maximum volume of 2800 gallons. The District operates only one pump at a time using the second pump as an emergency backup.

Figure 5: Pump Station Inlet Screen



The pump house is a wooden structure that is 8.75 feet by 8.83 feet with a single locked access door to the pumps and electrical controls facing Oak Grove Road (see Figure 6 below) and a locked roof opening for access for the removal and replacement of the motors and pumps .

Figure 6: Pump House and Discharge Pipe



The pump house contains two pumps, discharge piping, isolation valving, pressure gauges and all electrical controls for the pumps including a time clock and dedicated telephone line that transmits the float signals from the storage tank to turn the pumps on/off during normal operating hours (See Figures 7 and 8). The District’s normal operating hours are from 6:00 PM to noon the following day. No pumping is done during the high-energy rate hours of noon to 6:00 PM.

Figure 7: Pump Controls in Pump House



Figure 8: Pump Motors in Pump House

The western exposure of the pump house provides ventilation and cooling for the motors and is screened to prevent access or vandalism to the inside of the pump house (See Figure 9).

Figure 9: Pump House Ventilation – Western Exposure



The main power supply to the pump house comes from a PG&E overhead electrical drop and transformer on a pole just to the east and across Oak Grove Rd. from the pump house. The pump house was installed during the original construction in 1956 and has had only minor maintenance or repairs to the structure since the original construction. The pump house has not been evaluated nor does it appear to contain any seismic reinforcement to withstand a major seismic event. To date the pump house has not been damaged or been affected by previous seismic activity. The overhead telephone wires from the float controls also terminate inside the pump house.

The pump house is open to the weather and does leak during the winter rains. The old wood is aged and cracked but continues to provide serviceable containment for the pump facilities. The inside of the pump house did evidence a large quantity of cobwebs and dust during the field inspection which should be dealt with on a regular basis to assure that the electrical components are not damaged or affected by insects or spiders. This is especially true for the electrical cabinet in the station as these bugs and spider cobwebs can create problems for the electrical components if allowed to remain in the cabinet.

The pump house contains two motor and pump combinations, one 35 horsepower and one 25 horsepower motors connected to hollow shaft pumps. The pump house does not contain any standby power capabilities as the Board has determined that they are able to operate from the storage reservoir if there is an electrical failure.

The discharge lines from the pumps are four inches in diameter and include isolation gate valves inside the pump house. There also is a pressure gauge on the discharge header. The discharge header exits the pump house, increases in size to six inches and remains above ground for approximately 15 feet before moving underground for the transmission to the service area along the eastern shoulder of Oak Grove Road. The discharge header includes two additional isolation valves and a CCWD meter and telemetry system for the raw untreated water purchased by the District. These pieces of equipment are fully exposed above ground and one of the gate valves is locked to prevent illegal operation (See Figure10 below)

Figure 10: Discharge Header from Pump House



C. Pipelines

The District provides all service through approximately 22,700 linear feet of polyvinylchloride (PVC) and asbestos cement (ACP) pipelines that were installed during construction of the District in 1956. A second set of pipes was installed during the District expansion to the Comistas Drive area in the 1970s. This distribution system of pipes ranges in size from eight (8) inches to one and a half (1-1/2) inches in diameter but no plans were provided to delineate the Comistas Court asset additions nor does the asset register include the valuing of these new assets. Table 1 provides information by material and size for District pipes – these are rough estimates from an existing map showing most of the pipes now in service and has not been field verified. From these records, it does not appear that any asset values for the Comistas service area pipelines and appurtenances was ever added to the asset register. We assume that the Board of Directors upon completion accepted those assets for maintenance. The estimated length of pipe in the Comistas area is 3,300 linear feet of mostly six inch ACP. The pipelines also contain a few strategically placed gate valves for system isolation and operations. Finally the system also includes nine (9) four inch (4) wharf hydrants for purposes of removing air from the system.

The District currently has a single large map of the piping system that is undated and does not include the Comistas Court addition. This map provides most of the information related to the piping system including metering locations for each of the properties at the time of the preparation of the map. It is recommended that the District update their mapping to include the entire piping system of the District. The District also has a copy of the original 1956 construction plans for the pipelines that provide sizes and approximate locations in the field.

All customers are required to have a water meter installed at their property line for the measurement of water purchased from the District. The Board members for billing of the customers read these meters quarterly. The billing is prepared and mailed by the District contract bookkeeper with follow-up by the Board members if accounts become delinquent for failure to timely pay.

All pipelines appear to be located in public rights-of-way and are generally located out of the paved roadway and on the shoulder of the roads except in the Comistas service area. The only exceptions are the pipelines to the Pine Creek area and to the storage tank. The pipe supplying the Pine Creek area crosses private property from a tee on Castle Rock Road and follows

property lines until the pipe reaches Pine Creek Road at which point it tees north and south to supply that area. The tank fill and discharge line leaves Old Borges Ranch Road and follows a dirt and gravel road to the terminal storage tank at which point a PVC siphon discharges the untreated raw water near the inside bottom of the redwood tank (see Figure 11 below).

Figure 11: Raw Water Discharge Point



The original installed cost of all pipelines, hydrants, valves and engineering design in 1955/56 was approximately \$46,100. These values are from the Transmission and Distribution System Asset register dated June 30, 2012 that includes the entire historical record of initial costs and depreciation.

Based upon the linear feet of pipe in Table 1 below, it is estimated that the current replacement value of all District pipelines ranges from \$1,250,000 to \$1,500,000 based upon present day construction values of between \$50 and \$75 per linear foot assuming most of the lines are not under paved streets. The costs for replacement under paved surfaces could easily double these per linear foot construction costs. At these estimated prices, the current District reserves could only replace approximately 2,000 linear feet of existing pipe before exhausting the entire reserve balance.

Table 1, Castle Rock County Water District System Pipe Information

Pipe Diameter	Asbestos Cement	Galvanized	PVC	Unknown	Total Feet	Total Miles	Percent of System
8 inch	6,400	0	0	0	6,400	1.21	28.16%
6 inch	13,201	0	0	952	14,153	2.68	62.27%
2 inch	0	563	563	0	1,126	0.21	4.95%
1-1/2 inch	0	1050	0	0	1,050	0.20	4.62%
Totals	19,601	1,613	563	952	22,729	4.30	100.00%

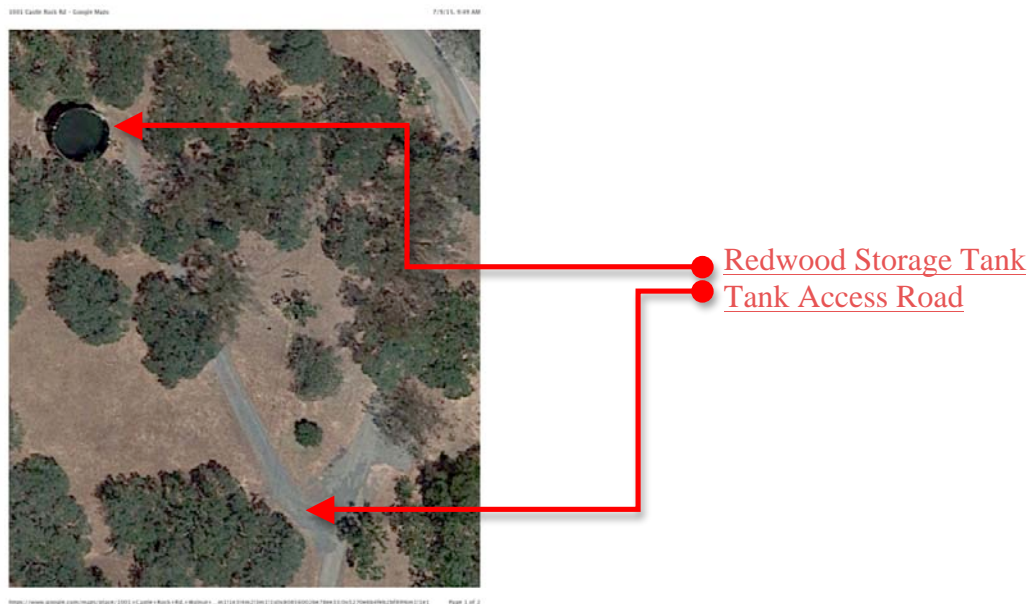
D. Water Tank

The District operates a terminal redwood stave storage tank located on a parcel of property owned by the City of Walnut Creek in the Borges Ranch Open Space (See Fig. 12 below). Contact with the City of Walnut Creek regarding the rights and responsibilities of the District for the use of this property were not found at the City or in the County records. In addition, it does not appear that the District was ever granted an easement for either the road or the tank site even though joint locks limit access to the parcel off of Borges Ranch Road.

The storage tank is accessed from Borges Ranch Road via a locked gate and gravel road that rises steeply to the tank site in the side of a hill. The tank sits on an excavated site that is surrounded by open grass fields and with a large number of oak trees. The storage tank is partially hidden by trees and the ground slopes from Borges Ranch Road up a steep slope approximately 100 feet above the roadway. The tank site is not fenced nor is it protected from hikers in the open space that can easily pass the locked gate at Borges Ranch Road leading to the steep tank access road.

This tank was purchased used and installed in 1956 and was placed on a 34-foot diameter reinforced concrete engineered foundation. The tank is an open reservoir 33 feet in diameter with twenty (20) foot tall walls with an estimated capacity of approximately 125,000 gallons. The walls of the tank are secured in place with steel circumferential tension hoops. The rods are $\frac{3}{4}$ -inch threaded rods in horizontal rings spaced across the full height of the tank based upon the loads placed on the walls by the water in the tank.

Figure 12: Aerial Photo of Redwood Tank Site



Plans for this concrete foundation are included in the 1956 construction plans. The concrete base appears in good condition where visible as it rests on a rock base. Very minor spalling is localized to the eastern edge of the ring and no major cracks were seen during the field inspection of the exterior of the tank. No inspection of the interior of the tank was conducted as part of this work as the tank was in full operation at the time of the field inspection. The Board President indicates that the tank and the concrete base have never had any seismic problems or has experienced any known seismic damage. However there has never to his knowledge been any seismic evaluation of the storage tank before or since the original installation in 1956.

The inside of the tank is accessed by ladders (see Figure 13 and 14 below) along the southern exposure of the tank and over the top and back down the inside of the tank. The access ladders are secured within a five-foot fenced area topped with barbed wire (See Figure 15 below). The District has purchased a harness climbing system for anyone using the access system. The tank does not contain any access hatches or man ways for entry into the tank from ground level.

Figure 13: Tank Access Ladder, Ext.



Figure 14: Tank Access Ladder, Int.

Figure 15: Tank Ladder Security Fencing



The bottom of the tank is at an elevation of 415.5 feet above sea level and approximately 240 feet above the District pump station discharge according to the original construction drawings. The tank fill and discharge line runs up the outside of the tank from the isolation valve to the top of the redwood and then back down the inside of the fiberglass insert to a discharge point about one foot above the floor of the tank. At the top of the storage tank the siphon changes direction and moves inside the tank at an approximate elevation of 436 feet above sea level. The tank is filled and discharged through a four (4) inch PVC siphon (See figures 16 and 17 below).

Figure 16: Tank Siphon Piping, Ext.



Figure 17: Tank Siphon Piping, Int.

The siphon originates from a tank isolation valve just below the bottom of the tank on the northern exposure (see Figure 18 below) that sits atop a metal pipe system where the fill/discharge asbestos pipe transmission line rises from the ground. This gate valve and pipe angles appear old and in need of corrosion protection as evidenced by the current leakage from the foot valve inside the tank which is leaking directly onto this gate valve and pipe configuration. The gate valve is protected from vandalism or illegal use by a chain and lock to prevent the operation of the valve by unauthorized persons.

Figure 18: Tank Shut Off Valve and Fill Line



A foot valve inside the tank is used during cleaning and maintenance to drain the tank and remove any built up debris on the floor of the tank (See Figure 19 below). The current foot valve is leaking and in need of replacement to assure a tight seal and prevent leaking onto the isolation valve, etc.

The tank includes a series of valves and discharge pipes below the northern exposure of the tank for the cleaning and removal of debris from the tank (see Fig19). These facilities access the tank through the concrete base and provides a foot valve used only during maintenance activities described below.

Figure 19: Tank Foot Valve, detail



The tank operates with a recently installed float system that provides a signal to the pump station by dedicated telephone line to start and stop the pumps based upon defined elevations in the tank and the time of day. This latter point assures that the District does not incur excessive pumping charges and is governed by a time clock in the pump house. We understand that the Districts operates the reservoir between thirty and fifty percent of tank capacity at all times.

The redwood tank has in the past leaked through the redwood staves such that the District found it necessary to tighten the circumferential rods and add a full height fiberglass liner inside the tank. This liner was added in 2002 and has been patched and repaired every time the tank is drained and cleaned since it was installed. In addition, the District has also found the liner pulled away from the redwood on several occasions and have had to insert filler materials between the

fiberglass and the redwood. During the visual inspection of the tank, at least two holes in the redwood showed evidence of the liner pulled from the interior wall of the tank.

The District asset register provides the initial cost of the wooden tank at approximately \$5,100 for the concrete foundation and the used wooden tank. It is not possible to tell if this cost is just for the construction at the site or whether it includes the purchase and transportation of the tank to the site. California and San Francisco Bay Area redwood tanks have been known to remain in service for 30 to 60 years¹ some estimating with proper maintenance it could be as much as 100 years. Clearly the District's redwood storage tank is now approaching the end of its useful service life.

Current estimates for new 50 to 60,000-gallon storage tanks range from \$1.50 to \$2.00 per gallon for purchase of a new terminal storage tank assuming the use of the original concrete foundation is evaluated for seismic stability. These prices do not include the removal of the existing tank staves and circumferential rods. Installation and connection to the system in the field would increase the cost by one and half to two times the tank purchase price. The redwood in the tank may be able to be resold and reused after demolition and the Board should consider this in their evaluations of a replacement.

E. Miscellaneous Assets Information

Land

The District does not hold fee title to the lands on which the tank and the pump station are located. The City of Walnut Creek and the United States Bureau of Reclamation own these properties respectively. Both of these facilities were sited during the original construction in 1955 and 1956 and District holds no known easements rights or agreements with the two property owners with regard to the rights and requirements for the use of the sites. The tank access road also crosses the City parcel and has no formal access easement granted for this use.

Most District piping appears to be located within public rights of way in the City of Walnut Creek or Contra Costa County. The only exceptions are the pipe system supplying the Pine Creek service area that crosses private property to service the Pine Creek customers. It is not known if easements have been granted to the District for the use of these utility rights-of-way on the private parcels.

Hydrants and Isolation Valves

The District operates the piping system utilizing few isolation gate valves placed at strategic locations in order to be able to isolate specific portions of the service area. These valves are the same size as the pipe they are attached to. The District has no formal valve exercise program and reacts to problems opening and closing valves only when problems using a valve appear. Additionally, the District has no valve replacement policy for these assets other than run to

¹ Castlewood Domestic Water Yank Engineering Assessment Final Report January 20, 2009, Winzler & Kelly

failure. Two replacements of six and eight-inch valves in 2009 cost approximately \$5,700 apiece.

The distribution system includes nine (9) wharf hydrants (See Fig. 20 below) used to bleed air from the system or to assist with maintenance needs in particular areas of the District. These hydrants appear to be used very seldom and there is no regular maintenance program for the hydrants or a replacement philosophy for these hydrants when they fail.

Figure 20: District Wharf Hydrant



Water Meters

The District owns none of the water meters connected to the District distribution system. The meter located at the pump station is owned, operated and remotely read by the CCWD. The District does not read or verify CCWD readings from this meter. CCWD reads the meter monthly and bills the District shortly thereafter for all water through the meter for the preceding billing period.

All customer water meters are located on private property and are the responsibility of the property owner for installation, operation, maintenance and renewal and replacement. These meters are used by the District to bill customers based upon meter readings provided to the District bookkeeper by the volunteer Board members. Each Board member is assigned a specific number of meters to read on a quarterly basis. If problems are found with the meter or the connection to the public water system, the property owner is notified of the problem and directed to make necessary repairs or replacement.

V. Operations and Maintenance Programs

A. General Overview

The District maintenance philosophy is generally reactive for the pipelines and the pump station and run to failure in the distribution system. Time has proved to the Board that regular maintenance on the redwood tank is required to assure continued service life as more fully described below. Review of the historical revenues and expenditures for maintenance and repairs in Table 2 have averaged less than 5% of the annual operating budget while capitalization of replaced assets have averaged similar amounts in the past ten years. This indicates annual expenses of about \$10,000 per year for maintenance and renewal and replacement of the assets, which supports the current Board philosophy of reserves levels

assuming that the storage tank or a large length of pipe does not require replacement. It is the Board's policy to capitalize system improvements that cost more than \$300 and have a useful service life of more than one year as stated in the most in the 2013/2014 District Audit.

The Board maintains reserves at or above twice the annual operating expenses in anticipation of all maintenance or renewal and replacement needs of the District. The Board does not have nor maintain policies for the interruption of services or contingency plans for emergencies as only a few numbers of properties rely on the water for domestic uses and because the Board believes that the wooden tank can provide water for short periods in an emergency. They also believe that the volunteer nature of the Board can quickly move to deal with issues and reported problems as they appear.

Finally, the Board has had few maintenance issues or replacement expenses through the years and therefore does not feel the need for a defined maintenance or renewal and replacement program (See the list of all District maintenance and replacement history at the end of each of the Inspection Reports in Appendices A and B). However due to the age of the storage tank and the asbestos cement pipe, it is recommended that the Board begin the process of planning for the ultimate replacement of the storage tank and old ACP pipe as they could be approaching the end of the useful service life.

B. Pump Station

The pump station is maintained utilizing service providers that are called when a problem or maintenance need is identified by a Board member or as a result of calls from customers or others that observe problems in the field as they pass the station. There is no defined maintenance program for the inlet and the pumping or electrical equipment at the pump station. There is no standby contract with service providers for emergency response as customers can operate without water for short periods of time as the storage tank empties. There are no known contingency plans for customer notification for long water supply outages either from the loss of the redwood tank or an extended nor limited available canal water. This philosophy has been proven to be acceptable for the operation and maintenance of the pumping infrastructure to the current time.

Of current concern is the condition of the pump house that has had no major repairs or improvements in the memory of the current Board or from the historical maintenance records attached to the Pump Station Field Inspection Report. The pump house shows signs of deterioration and the current locking mechanism on the access door is minimal and shows signs of needing repair. While the pump house has since inception not experienced any vandalism or other malicious mischief, it does present an attractive target especially since the current fencing allows complete access to the pump house at all times. The interior of the pump house is open to the weather and the station has a significant number of cobwebs throughout the interior. These should be removed regularly because they can cause problems for the electrical components.

The pumps and electrical systems appear to have received recent major maintenance and visually appear in good shape. Contact with the most often-used maintenance contractor indicates that there have been no problems with the pumps or electrical components in the last several years

and a review of the maintenance records support this conclusion. The electric panels and time clocks appear clean and well maintained (see Figure 7). All wiring and conduits appear new and in good shape.

The discharge lines from each of the pumps and from the pump house appear in good shape with minor corrosion. The valves appear to have only primer coatings and should be painted with a finish coat to assure they reach the expected service life for these mechanical components. In addition, there is no valve exercise program but rather valves are just replaced when they will not shut off or close properly. The above ground metal discharge pipes have not had any corrosion protection added and it is suggested that these pipes also receive an exterior coating of paint to assure that corrosion is minimized.

The two (2)-isolation valves exterior of the pump house are open to anyone entering the site. Currently one of these valves is locked with a chain and lock. The second gate valve should also be secured to prevent the operation of the valve without District knowledge (See Fig 10)

C. Water Storage Tank and Access Road

In recent years the Board of Directors has determined that regular evaluation and maintenance to the 60+-year-old wooden storage tank is necessary to assure proper operation and reliability. Typical maintenance involves the draining of the tank, removal of all muck and debris from the floor of the tank and inspection and repair of the fiberglass liner and foundation and repair of any other equipment associated with the tank. This maintenance activity has occurred generally every year or two and has required repairs to the fiberglass liner in multiple locations each time. As the tank is never operated to its full depth, repairs to the fiberglass are still accomplished for the full height of the tank. With each cleaning and repair, the foot valve on the floor of the tank and the isolation valving are inspected and repaired if necessary. During the field inspection in July, it was observed that the foot valve was leaking and is in need of replacement. The tank isolation valve is infrequently operated and is not exercised except when required and we assume with each tank cleaning. The valve is however chain locked and protected from vandalism.

The exterior redwood of the tank is in fair to good condition with apparent deterioration especially at the base where the redwood meets the concrete foundation. It appears that the redwood here has rotted especially near the siphon and isolation valve on the north side of the tank. The iron circumferential rods supporting the redwood are all rusty and have not been operated in many years. A few rods near the top of the tank in several places appear to have pulled away from the redwood. It is reported that several years ago the rods were tightened and at the same time they were secured to the side of the tank by brackets to assure that the rods would not slip down the side of the tank as the tank shrank.

Regular maintenance has also been done on the level control system inside the tank that controls the pumps. Finally the District has a dedicated telephone line that transmits level signals to the pump house. This overhead telephone line which signals the pump is operated and maintained by the local phone company.

The storage tank operates daily filling and withdrawing water for the service area as demands require. It is reported that the tank always operates less than full based on the float system that turns the pumps off and on as the water level reaches predetermined levels in the tank. The operating levels were not provided. Water is purchased daily even when CCWD shuts down the canal for maintenance and repairs typically during the winter and provides the District with treated water at the pump station. CCWD reads the District meter monthly and bills for all water purchased by the District. Historical water purchases from the CCWD monthly bills are detailed earlier in this report in Figures 2 and 3. Recently the Board suspected that they were experiencing larger water losses. They brought in a service contractor to assist in the evaluation and location of potential water losses. This effort has identified several leaks that have been repaired.

The tank access road (See Fig. 12) is steep and over the years has required maintenance to retain accessibility to the tank. The current road especially at the bottom is rutted where a sharp right turn off of the City dirt road is required. In addition, the road surface up the slope is gravel and dirt that appears to be in need of repair again. It was stated during the inspection that a four-wheel drive vehicle is required to access the tank site. It appears that the condition of the road during wet weather could create access concerns. The road has been regraded in 2007, 2008 and 2012 and should be considered for repair currently.

A. Pipelines

The majority of the distribution pipelines operated by the District are made of (ACP) with some small diameter PVC lines. There is not formal maintenance program for any pipelines in the service area. The industry standard estimated useful service life for ACP is 75 years. This suggests that the ACP currently in the system is approaching the end of the theoretical life in the next 15 years or so. There is no Board policy for the renewal and replacement of any of the distribution lines.

Current Board practice is for a Board member to respond to notification of leaks or pipeline problems, to assess the problem and fix it if at all possible or to call service contractors or local labor to accomplish the repair. These service calls are handled on a time and materials basis without benefit of any service contracts with the service provider. Most leaks have been found to date at or near the private meters. There have only been two major leaks in the ACP. One in the discharge line at the pump station just after the line goes underground that required the replacement of a short length of pipe with cast iron. The second leak was caused by PGE when placing a new power pole near the front of Northgate High School campus. The majority of the District pipelines have not experienced leaking that would indicate a serious pipeline problem even though the pipe is reaching the end of its useful life.

In the past five years there have been several leaks along the Pine Creek Road system in both the ACP and PVC. These leaks while small maybe indicative of concerns with the long term ACP pipes useful life and a reason for consideration regarding the future of the lines in this area.

VI Financial Background

As part of the condition assessment of the District infrastructure, it was necessary to review and evaluate the financial resources of the District including the long term asset registers, the most recent five year audit reports and other historical maintenance records delineating the services provided by outside contractors. Particularly because the position of the Board of Directors is that they have sufficient resources to be able to deal with any reasonable losses of system infrastructure. In addition it was necessary to understand the actual expenditures for operations and maintenance. Causey Consulting received financial information from the annual audits to understand the revenues, expenses and retained earnings or reserves of the District. Table 2 provides the District's financial history from 2008/2009 through 2013/2014 – the most recently completed audit.

The District has operated in the black in four of the five year of record. After 2012/13 shortfall, the Board took steps to increase revenues to assure that contributions are being made to the reserves of the District. The records indicate that the Board generally operates with a reserve balance of approximately \$155,000 that has not recently been less than two times the annual operations and maintenance expenditures.

Table 2, Historical revenue and Expense, Castle Rock County Water District

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Averages
<u>Revenues</u>							
Water Sales	58,086	47,469	48,733	56,596	49,509	57,638	53,005
Service Fees	-	-	-	-	13,320	13,670	4,498
Other	-	-	-	-	-	283	47
Property Taxes	11,473	10,393	11,187	10,837	12,011	11,548	11,242
Tax Administration Fee	(124)	(123)	(118)	(109)	(112)	(112)	(116)
Total Revenue	69,435	57,739	59,802	67,324	74,728	83,027	68,676
<u>Expenditures</u>							
Water Purchase	48656	23666	40513	44897	57868	50890	44,415
Power Purchased - Pumping	5165	3739	4607	5461	6653	7241	5,478
Audit	2000	2000	2000	2000	2500	4500	2,500
Election	416	0	399	0	0	0	163
Repairs	3435	3204	2539	1854	1771	3340	2,691
Book Keeping	0	1397	982	1011	1394	2853	1,273
Liability Insurance	343	2012	2015	2023	2012	2028	1,739
License & Permits	0	0	0	0	415	0	69
Office Supplies	554	233	639	542	760	1124	642
Transmission & Distribution	388	356	415	378	348	444	388
Bad Debts	0	0	0	1735	0	194	322
Depreciation	4118	4622	4883	4907	4953	3606	4,515
Loss on Replacement of Check Valve	679	0	0	0	0	0	113
LAFCO	0	0	0	0	0	37	6
Total Expenses	65,754	41,229	58,992	64,808	78,674	76,257	64,286
Net Income	3,681	16,510	810	2,516	(3,946)	6,770	4,390
Retained Earnings/Reserves	142,211	158,721	159,531	162,047	158,101	164,871	157,580
Reserves as % of Annual Expend	2.163	3.850	2.704	2.500	2.010	2.162	2.451

VI. Renewal and Replacement of Assets

The District operates on a cash basis and has developed sufficient reserves to believe that they can handle the renewal and replacement needs of the District from those reserves over the next several years. The reserves have ranged from 3.85 times annual expenditures to a low of 2.0 times annual expenditures. The majority of pump station and pipeline replacement needs have been handled from these reserves as two pump replacements have occurred in the past ten years at costs of between five and ten thousand dollars.

The replacement and repairs of pipelines to date have been minor and easily handled by the Board members who do not charge for their time or through the use of casual labor or contractors. All repair activities have been on a small scale to very short lengths of pipe or valve connections. The issue for the Board with regard to pipelines is an extended length failure of the ACP due to an earthquake or other natural disaster. Replacing water lines in the six and eight inch size can cost between \$50 and \$75 per linear foot depending on the location and depth of the line and without need for replacement of asphalt over the pipe trench. If asphalt is required these figures could double.

The District Board has not to date considered or developed a formal written program for the renewal or replacement of the District assets. The current philosophy is to run to failure which is acceptable as long as a complete asset replacement is not required at the end of the assets useful service life. Most assets have been in operations since at least 1955 and are approaching the end of their useful service lives. The District could need to replace the pump house, mechanical equipment, significant lengths of pipe and a new water tank – if any or several of these major facilities fail, the current reserves might not be adequate for replacement of a storage tank or even 10% of the pipes. If that were to happen the District would be required to secure other sources of funds (loans, bonds, commercial paper, etc.) that are not currently available or even considered by the Board of Directors. The District can however handle the replacement of the pumping facilities or a short pipeline repair, as those costs are minor compared to a large pipeline or storage tank loss.

VII . Summary and Recommendations/Findings

The District operates a complete water system designed to provide untreated water from the Contra Costa Water District to 55 parcels in a 150-acre service area located in County of Contra Costa and the City of Walnut Creek. The service is provided through assets owned and operated by the District including a pump station, transmission and distribution lines along with a terminal redwood reservoir located on properties owned by other public agencies. The attached facilities assessment and evaluation requested by the Contra Costa County LAFCO is intended to provide a more complete understanding of the facilities and the operations and maintenance of the District. Based upon the field inspections, service provider interviews, historical records and the information in this report, the following are recommended actions for consideration by Board of Directors:

1. The District should open discussions with the City and CCWD to assure that they are aware of any rights and responsibilities for the facilities they are operating on the two sites
2. The District maps are very old and do not include the entire piping system and should be updated and/or completely redone to reflect the entire piping system operated by the District. This should include both pipe sizes and pipe materials along with estimated installation dates.
3. The District Board should discuss and develop a policy for the replacement of system assets based upon sound engineering information and historical operations and maintenance expenses especially for the redwood storage tank that will be the largest single expenditure at replacement.
4. The District should inventory and create an asset register for all pumping, electrical and timer components in the pump house.
5. The District should schedule at least annual inspections of the electrical and mechanical systems in the pump station.
6. Chain and lock the second gate valve on the outside discharge header outside the pump house.
7. The District should consider a valve exercise program for at least the isolation valves at the pump station and the storage tank.
8. The District should establish a regular pump house and electrical panel-cleaning program to assure that bugs and insects do not cause failures of the electrical components.
9. Emergency phone numbers should be placed on the fence at the pump house for the reporting of unusual events or problems noticed by local passerby's.
10. The shrubs along the southern fence need attention and pruning.
11. The hinges on the access door to the pump house need either repair or replacement to strengthen access to the interior of the pump house by other than appropriate persons.
12. While the main distribution pipes do not reflect current problems except in the Pine Creek area, the District should begin a process to plan for future replacements of portions of the ACP in the system prior to reaching the end of the pipes service life.
13. Develop a system to map all pipeline leaks and meter leaks to be able to visually see areas of concern for pipeline problems.
14. The storage tank is reaching the end of its useful service life and contingency plans should be prepared for the full replacement of the storage tank or a seismic evaluation of the tank done to assure survival of a major earthquake in the area.
15. The foot valve inside the redwood tank needs to be replaced and the isolation and pipe fittings outside the tank should have corrosion protect applied to these metal components.
16. The access road to the redwood tank needs to be evaluated and possibly considered for repair before the next winter.

VIII. Reservations

The opinions and recommendations stated in this report are based upon limited field observations and discussions with service providers and the Chair of the Board of Directors of the District. There is no claim, either stated or implied, that all conditions were observed. This report does not address any portions of the redwood tank structure or pump station facilities other than those mentioned nor does it provide any warranty, either expressed or implied, of any portion of the facilities discussed.

IX. Appendices

- a. Pump Station Inspection Report
- b. Redwood Storage Tank and Access Road Inspection Report

Appendix A Pump Station Inspection Report

Pump Station Condition Inspection Report

Inspection Information	
Inspection date	July 9, 2015
Inspection participants	Fred Allen, Paul Causey, Causey Consulting
Facility name	Castle Rock Pump Station
Facility address	None
Comments	Station in place since 1955 on Bureau of Land Management Property operated by Contra Costa Water District; copies of pump station pictures provided to the District on CD.

Background Information	
Equipment failures	None in the past three years
Alarm history (attach copy)	None
Major maintenance activities (attach list if applicable)	See attached listing of past activities
Pending work orders (attach copies)	None
Operating problems (attach copy of operating log)	None
Maintenance History	See attached list
Comments	All maintenance is reactive and only identified when problems are reported to the Board of Directors who deals with the situation either personally or through service providers.

Security Features	
Fence and gate	Fencing along roadway with a gate but there is a passage way into the station that does not secure the site.
External lighting	None on site; Street light south of the site provides only light.
Visibility from street	Pump house and discharge piping completely visible through the open chain link fence
Doors and locks	Pump house has one door with hasp and lock; discharge gate valve secured with lock and chain
Intrusion alarm(s)	None depends on calls to the Board of directors from residents or others noticing problems.
Signs with emergency contact information	None;
Other security features	Stainless steel bar screen in canal flow line.
Comments	District should consider adding contact phone numbers to the fence for anyone noticing problems at the station - this will assure timely attention to problem situations; currently rely on others to report security problems.

Safety Features and Equipment	
Signage (automatic equipment, hearing protection, etc.)	Only signs deal with the high voltage from the electric pump motors. No other signage at the site.
Emergency communication	None
Equipment hand guards	None

Hand rails and kickboards	None
Platforms and grating	None
Tag out and lock out equipment	No known policy – relies on service contractors
Hearing protection	None
Comments	

External Appearance	
Fence	Good
Landscaping	Vines and bushes are overgrown along the southern fence line of the site and should be trimmed – they do not impair the operation of the station but could cause problems during removal of pumps and motors from the pump house.
Building	Wooden frame building is deteriorating and has not had significant improvements since installation. Wood is old and does not show any maintenance other than minor board replacements. It appears that the pump house structure leaks in the winter storms.
Control panels	Recently updated and clean
Other external features	Discharge piping is exposed and shows signs of minor corrosion – gate vales should be painted to further protect these components. Old corroded bar screen disposed of behind the pump house is an attractive nuisance and needs to be removed.
Comments	

Building/Structure	
PS building	Wood frame structure
Control room	All electrical controls in cabinet in the pump house in a closed enclosure
Wet well dimensions, feet	8.3 x 6 x 7.5
Wet well volume, volume	2800
Other structures	Stainless steel bar screen and turnout from the canal into the wet well of the pump station.
Comments	Canal in and around the turnout needs major maintenance to the concrete lining of the canal.

Instrumentation and Controls	
Control panel	Located in the pump house in a 2-foot by 4-foot locked metal cabinet.
Run time meters	None
Flow meter	Contra Costa Water District meter outside in the discharge header.
Alarms	None
SCADA	Pump on/off controls only based upon storage tank float system – signals via dedicated phone lines from the tank.
Other instrumentation and controls	Pumps operate on a timer to assure that no pumping occurs during the peak electrical periods of the day from noon to 6:00 PM
Comments	Control panel has many cobwebs and could use general cleaning.

Electrical and Switch Gear	
Power drop	PGE high voltage drop from power pole across the street.
Transformers	Pole mounted next to the pump house.
Transfer switches	None
Emergency generator and generator connection	None
Starters	
Variable frequency drives	None
Electrical cabinets	Small two by four foot metal cabinet inside the pump house
Conduit and wire ways	New conduit and wiring inside the pump house
Other electrical	Time clock for daily pump sun times
Comments	

Motors	
Lubrication	
Insulation	
Operating current	240/480
Vibration and alignment	
Other	
Comments	

Pumps	
Lubrication	
Vibration and alignment	
Seals	
Indicated flow and discharge pressure	
Shutoff head	
Corrosion and leakage evidence	None
Drive shaft	
Other	
Comments	

Valves and Piping	
Valve operation	Only as needed; no formal exercise program; check valves replaced in the past. Four-inch valves in pump house transitioning to six-inch discharge header outside the pump house.
Valve condition	Appear relatively new but are not painted.
Pipe condition	Appear okay but minor corrosion; needs to be painted to provide additional corrosion protection; all piping has no corrosion protection from the elements.
Pipe support	Concrete blocks – appear in good shape with minor corrosion.
Comments	

Other	
Lighting	None on site
Support systems (air, water, etc.)	Outdoor water taken from the discharge piping; no other support systems
Signage	Only high voltage signs
Comments	

Basic Asset Information	
Number of pumps	2
Pump #1 capacity, gallons per minute	280 @ 336 feet
Motor #1 horsepower	30
Pump #1 manufacturer	WPI Vertical Hollow Shaft Pump Motor
Pump voltage	240/460
Motor #2 manufacturer	General Electric GE V3188 VHS
Motor #2 horsepower	25
Motor #1 RPM	3600
Meter Size, inches	6
Meter owner	Contra Costa Water District; CRCWD take no meter readings
Discharge line, inches	4" in the pump house; 6" outside the pump house

Castle Rock County Water District Pump Station Maintenance History

4/56 Construct Pump House

5/1/88 Replace time clocks for both pumps

7/9/01 Replaced pump packing

7/31/01 Discharge pipe leak in transite

8/7/01 Rewind pump motor

11/9/01 Adjust packing

3/15/02	Adjusted packing
8/16/02	replaced pump #1
12/11/02	Rebuilt pump #1; replaced packing
8/26/03	Replace 30hp motor; replace bearings
12/8/03	Replaced both 5" columns; replaced basket strainer; replaced 25 hp VHS motor
12/8/03	Replaced check valve
6/21/04	Replaced on/off switch; added new 4"x4"x4" enclosure
6/21/04	Clean canal screens
10/6/04	Inspect Pump #2 not starting; repack Pump#1
4/05	New pump switches and wiring cleanup
5/16/05	Replace both motor starters
11/13/07	Troubleshoot stuck check valve; repair broken 4" waterline
11/13/07	Replace gate valve and swing check valve
9/10/08	Replaced 4" check valve
1/15/10	Pulled 20 hp motor; trimmed bushes and hedges
2/23/10	Repair and rebuild 20 hp motor; replace breaker
10/27/10	Installed new stainless steel screens at channel inlet
5/07/12	Inspect pump station site; rotary seal leaking
5/18/12	Installed new screens on canal inlet
9/26/12	Replaced rotary seals, brass ball valve and pulled and replaced pump
4/2/13	Service call; adjusted packing on Pump #1 and replaced connections to Pump #2
Spring 13	CCWD cleaned the canal
9/30/13	Cleaned bar screen

Inspection Photos: Provided to District on a separate CD

Appendix B

Redwood Storage Tank and Access Road Inspection Report

Castle Rock County Water District Storage Tank Condition Inspection Report

Inspection Information	
Inspection date	July 9, 2015; August 3, 2015; May 26, 2015
Inspection participants	Fred Allen, Paul Causey, Richard Hoag; last two Causey only
Facility name	Castle Rock County Water District Storage Tank
Facility address	APN
Comments	Cut sheet of the field photos of the tank and tank site photos provided to District on a CD.

Background Information	
Equipment failures	None minor leaks in the fiberglass lining evaluated annually
Alarm history (attach copy)	None
Major maintenance activities (attach list if applicable)	Annual tank cleaning and patching of the fiberglass lining; review of the float control during cleaning. List attached below.
Pending work orders (attach copies)	Replacement of the mud valve in the tank currently leaking
Operating problems (attach copy of operating log)	None; see maintenance history attached below
Comments	Redwood tank is 60 years old and minor wood deterioration is evident at the outside base of the tank sealed from inside by the fiberglass liner.

Security Features	
Fence and gate	Locked gate access at Borges Road with multiple locks leading to the tank access road. No fencing around the tank site. Access ladders on the outside of the tank are enclosed inside five foot fencing with 3-strand barbed wire around the ladder assembly.
External lighting	None
Access road	Gravel with drainage swale along the south side – steep access to the tank requires four-wheel drive vehicle.
Visibility from street	Minor from Borges Ranch Road on the siphon side of the tank; partially obscured by oak trees; approximately 100 feet above the roadway.
Intrusion alarm(s)	None
Signs with emergency contact information	None
Other security features	Tank is on City owned property and well above the road.
Comments	Road needs to be regraded.

Safety Features and Equipment	
Signage (automatic equipment, hearing protection, etc.)	None currently – recommend placement of signs at the tank site with emergency call numbers if there is a problem with intrusion.
Emergency communication	None
Equipment hand guards	None
Hand rails and kickboards	None
Platforms and grating	None
Fire resistance and safety in and around the tank	Area is generally clear of grass and trees. Tanks could suffer fire damage from grass fire in the area – no formal policy on fire protection for the tank currently in place.
Comments	District owns climbing harness used when accessing the inside of the redwood tank.

External Appearance	
Storage tank	Tank is 60 plus years old and shows wear and tear especially along the concrete foundation of the tank. Tank was installed in 1955 and was purchased used and installed on a new concrete base. Circumferential metal rods not operated in many years (possibly since 2002) and may be difficult to tighten or loosen in current condition. Interior of the tank open to the atmosphere appears from photographs to be in reasonable shape and is inspected regularly in recent years. The fiberglass liner inside the tank seals minor holes in the redwood.
Tank foundation	Engineered concrete foundation appears in good shape and not deteriorating but has minor spalling.
Landscaping	All natural for the unimproved site owned by the City of Walnut Creek.
Control panels	None
Access road	Access road is steep and is composed of 3/4” rock with a small drainage swale on the south side that is now full of dirt and leaves.
Other external features	Brand new fill and suction siphon visible up the side of the tank. New ladder system installed on the backside of the tank from the access road including climbing harness for access up the outside of the tank. Float controls

Comments	Ladder system may not meet current code for access ladders. Redwood tank life estimated at 40 to 60 years in Northern California proper regular maintenance may allow longer life even up to 100 years; redwood could be approaching end of useful life depending on age at time of acquisition and installation by CRCWD in 1955. Recommend having a redwood tank expert to evaluate the current state of the redwood tank. Tank and foundation have never been evaluated for seismic loading; it is not known if any structural analysis was conducted prior to the original installation.
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Building/Structure	
Redwood Tank	Tank in service 60 plus years for CRCWD and shows minor signs of deterioration especially at the bottom where the tank sits on the concrete pad from standing rain water – tank useful life could be in the range of 100 years with regular maintenance. Unknown how long it was in service prior to CRCWD acquisition and installation at the current sight.
PS building	None
Control room	None
Tank Area housekeeping	Area around the tank generally clear with some tree branches hanging over to the tank.
Landscaping cleared away from tank	In a small area immediately around the base concrete base that the tank sits on.
Other structures	Climbing ladders on the inside and outside for only access to the tank for cleaning and maintenance.
Comments	District reports no damage from any earthquake activity

Instrumentation and Controls	
Control panel	None
Run time meters	None
Flow meter	None
Alarms	None
SCADA	Float control from the tank to the pump house via dedicated telephone line from the tank. Currently no active way to determine depth of water in the tank and no electronic elevations transmitted to the pump house – simple on/off signal transmitted only.
Other instrumentation and controls	None
Comments	Float system replaced in Spring 2011

Electrical and Switch Gear	
Power drop	None
Transformers	None
Transfer switches	None
Conduit and wire ways	Telephone drop from Borges Ranch Road used to send signals to the pumps for on/off control only.
Other electrical	None
Comments	None

Valves and Piping	
Valve operation	No program for frequent exercise or operation of the valve at the base of the tank; isolation gate valve is locked closed with a chain and lock system to deter vandalism.
Valve condition	Valves look rusty and old; could use a new coat of paint; valves are exposed to the weather and apparently have no corrosion protection.
Pipe condition	Siphon is relatively new and is a single piece of PVC;
Pipe support	Okay
Other	Foot valve in the floor of the tank needs to be resealed as has a minor leak.
Comments	

Other	
Water level indicator	None
Support systems	Four (4) inch PVC siphon system for fill/discharge of untreated water replaced in 2005.
Tank staves	Old and rusty; appears to not have been operated in many years since installation of the fiberglass liner; staves have been secured in place several years ago; last time staves were tightened was in approximately 2005
Access ladder	New exterior ladder system and climbing harness purchased and installed in 2012. Fully enclosed at ground level with chain link fencing.
Signage	None
Access hatches/manways	None
Overflow piping	4" PVC Siphon used for both fill and discharge.
Overflow channel	Current channel down access road filled with rock, dirty and leaves.
Tank coatings/corrosion protection	No exterior coating just untreated redwood with metal staves. Interior of the tank has full fiberglass liner installed in February 2002. Tank has no coatings or corrosion protection. All valves are uncoated open to the elements on the cleaning outlet at the bottom of the tank.

Sediment in tank	Tank currently cleaned regularly which also removes all sediment in the tank. In 2005 almost three feet of sediment was removed. Since that time the District has cleaned the interior of the tank on a regular basis to reduce and assure that the full capacity is available.
Comments	Access ladders should be evaluated for code compliance especially where the climber must move to the ladder on the inside of the tank.

Basic Asset Information	
Tank manufacturer	Unknown
Tank diameter, feet	34 feet
Tank height, feet	20 feet
Tank material	Redwood with fiberglass liner and foam anywhere liner has pulled away from the wood.
Tank roof materials	None
Tank foundation	Reinforced concrete 34 feet in diameter on rock base.
Tank coating	None
Tank volume, gallons	Approximately 125,000
Overflow containment	Drainage swale along south side of the access road.
Tank installation date	1955 in service 1956; installed used
Overflow pipe diameter, inches	4 inches, discharges approximately one foot above the floor of the tank.
Tank openings/Access ways	None
Earthquake prevention devices	Never evaluated for earthquake stability – no damage experienced to date from any earthquake activity in the area.
Liquid level gauges	None
Tank internal inspection frequency	Targeted annually generally
Tank cleaning frequency	Targeted annually generally
Inlet piping size	4 inch
Discharge piping size	4 inches - same as the inlet siphon
Foundation information	Reinforced concrete placed on gravel base
Water sampling ports	None
Tank isolation valve, size	4 inches
Tank isolation valves, type	Gate valve
Tank drain opening, inches	4
Access road material	Gravel and graded dirt.
Access Road Width, Feet	

Castle Rock County Water District

Wooden Storage Tank and Access Road Maintenance History

July 2015

Tank Access Road

2014	Drainage Ditch repairs
2007	Access road repairs
2008	Additional road repairs
11/26/12	Regraded access road

Tank Maintenance History

9/22/92	Rebuild redwood liner
2/10/93	Rebuild redwood liner
2/4/94	Tighten tank bands
4/3/94	Install two sir relief valves
5/2/98	Seal tank cracks
2/15/02	Overhaul tank
2/02	Installed full fiberglass tank liner; patch three leaks in wood; added ladder inside tank; fenced external ladder
6/4/04	Replace on-off switch
2/20/05	Drained/clean and repair internal fiberglass
4/16 05	Repairs to bottom and sides of tank; patched fiberglass; replaced siphon piping; fiberglass half of tank bottom
April 05	Drained/cleaned heavy sediment from tank; removed 18,000 gallons of muck
10/17/07	Replace 4" isolation gate valve
8/13/08	Drained/cleaned tank; repaired fiberglass
2/15/09	Replace 6" shut off valve
5/9/09	Drain and clean tank; repair fiberglass; install new bracket and redwood for float
11/30/09	Repair crack along bottom of tank; repair fiberglass
5/30/10	Repair fiberglass; drain and clean tank
4/16/11	Drained/cleaned tank; replaced float system; repaired fiberglass; internal ladder
2/1/12	Replaced exterior ladder assembly

- 2/1/12 Drained/cleaned tank; repair fiberglass; replace mud valve in floor of tank; repair crack in tank shell
- 3/9/14 Drained/cleaned tank; repaired fiberglass

Inspection Photos: Provided to District on a separate CD



Lou Ann Texeira
Executive Officer

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March 9, 2016 (Agenda)

March 9, 2016
 Agenda Item 9

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

Proposed FY 2016-17 LAFCO Budget

Dear Members of the Commission:

This report presents the proposed FY 2016-17 budget, along with budget options and a work plan.

BUDGET SUMMARY

The proposed FY 2016-17 budget (attached) includes appropriations totaling \$876,445 and reflects an overall increase of 8.3% as compared to the FY 2015-16 budget. The increase is primarily attributable to increases in Services & Supplies including funding for two municipal service reviews (MSRs), a special study, and an actuarial valuation. Also included in the total appropriations for FY 2016-17 is \$40,000 to fund LAFCO’s Other Post-Employment Benefits (OPEB) liability, and \$80,000 contingency reserve fund, which is comparable to the current year’s reserve. It is projected that FY 2016-17 revenues will be higher than FY 2015-16 revenues, with an anticipated increase in application activity. Details regarding expenditures and revenues, along with budget options, are presented below.

EXPENDITURES

The expenditure portion of the budget is divided into three main objects: Salaries & Benefits, Services & Supplies, and Contingency/Liability.

Salaries & Benefits

In FY 2015-16, the Commission maintained a staffing level of two full-time employees; no change in LAFCO staffing is proposed in FY 2016-17. The budget amount proposed for FY 2016-17 is \$403,257, reflecting decrease of 1.0% which is primarily attributable to a projected decrease in retirement costs due to a decrease in the average employer rate calculated in CCCERA’s 2014 actuarial valuation (excluding any employer subvention of member rates or member subvention of employer rates). The rates have decreased from 43.58% of payroll to 40.06% of payroll. This decrease is due an investment return on actuarial value (i.e., after

smoothing) greater than the 7.25% assumed rate, lower than expected individual salary increases, lower than expected COLA increases for retirees and beneficiaries, and other experience gains. A complete reconciliation of CCCERA's aggregate employer rate is provided in the Association's 2014 actuarial valuation.

In addition to the two full-time LAFCO employees, staff support to the Commission is supplemented by private and public service providers. Outsourcing services minimizes costs associated with adding permanent staff and acquiring additional office space and equipment. The County provides fiscal, drafting, mapping and legal services. In addition, LAFCO contracts with private firms for website maintenance, financial auditing, planning and environmental services, and to assist with MSRs and special projects and studies. The FY 2016-17 budget assumes the continuation of these contract services.

Services & Supplies

Last month, the Commission received the FY 2016-17 budget schedule and work plan preview. At that time, the Commission directed staff to include in the proposed FY 2016-17 budget the following: 2nd round MSRs for health care services and cities/community services districts; a special governance study for the Rollingwood Wilart Park Recreation & Park District (RWPRPD); relocation of LAFCO offices; and additional staffing. The Commission also expressed an interest in preparing a governance study for the West Contra Costa Healthcare District (WCCHCD) in the current fiscal year (see agenda item #10).

The proposed FY 2016-17 includes \$353,188 for *Services & Supplies*, reflecting an increase of 18.9%, which is related to conducting two 2nd round MSRs, a special study (i.e., RWPRPD) and the AMM (actuarial valuation).

Contingency Reserve Fund

Each year, the Commission appropriates \$80,000 for unanticipated expenses (i.e., special studies, potential litigation, etc.). These contingency funds do not accrue, and are re-appropriated each year. Should the Commission approve a special study of WCCHCD (see agenda item #10), an FY 2015-16 budget adjustment and appropriation of \$25,000 from the contingency reserve will be required. The FY 2016-17 includes an \$80,000 contingency reserve fund, which is consistent with prior years.

Other Post-Employment Benefits

Since FY 2011-12, LAFCO has included in its budget an annual expense to fund its Other Post-Employment Benefits (OPEB) liability. The FY 2011-12 through FY 2014-15 budgets included an appropriation of \$10,000 per year to fund this liability.

In March 2014, Contra Costa LAFCO completed its first alternative measurement method (AMM) report, similar to an actuarial valuation. The AMM was prepared by Demsey, Filliger & Associates in conjunction with a consortium of the California Special Districts Association and California School Boards Association, LLC.

The FY 2013-14 AMM showed an Employer-Paid Accrued Liability of \$516,522 and an annual contribution of \$52,278 which would fully fund the liability over a period of 30 years. The FY

2013-14 AMM did not reflect the \$40,000 LAFCO had already contributed to this liability. LAFCO is not required to fund the OPEB liability at the recommended amount. In FY 2015-16, the Commission contributed \$40,000 toward the OPEB liability. The proposed FY 2016-17 budget includes a contribution of \$40,000.

The OPEB funds are currently held in the PARS Public Agencies Post-Retirement Healthcare Plan Trust. LAFCO is a sub-account under the County's OPEB trust.

Federal accounting rules - Government Accounting Standard Board Statement 45 (GASB 45) - require LAFCO to disclose any unfunded post-employment benefits in its annual audits. Also, that if the employer has less than 100 "plan members" it is eligible for an approved AMM to comply with GASB 45 (in lieu of actuarial valuation).

For financial reporting purposes, an actuarial valuation is required at least biennially for OPEB plans with a total membership (including employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits) of 200 or more, or at least triennially for plans with a total membership of fewer than 200. The 2016-17 budget includes funding in the amount of \$1,500 for the next AMM which is the same amount paid in FY 2013-14 for the initial AMM.

REVENUES

Revenues consist primarily of application charges, available year-end fund balance, miscellaneous revenues (e.g., interest earnings), and County, city and independent special district contributions, with each group paying one-third of the net operating LAFCO budget. The city and district shares are prorated based on general revenues reported to the State Controller.

Application Charges and Other Revenues

The FY 2015-16 budget includes \$12,000 in proposal processing fees based on a multi-year historical average. It is estimated that LAFCO will receive approximately \$27,623 in application fees this year, significantly more than projected. Application activity appears to be on the rise. The estimated application and other revenues for FY 2016-17 are projected to be \$18,000, given an anticipated increase in applications. As of March 2, 2016, LAFCO has received four new applications this fiscal year, as compared to zero applications received during the same time period last fiscal year.

Fund Balance

Government Code §56381(c) provides: "If at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget."

The FY 2015-16 fund balance is currently unknown and will be calculated at year end (typically by October). However, based on the beginning year fund balance, and projected FY 2015-16 revenues and expenses, it is estimated that the available fund balance will be over \$150,000.

The LAFCO fund balance, or any portion thereof, can be used to offset the FY 2016-17 revenues, thereby reducing the revenues to be collected from the funding agencies (County, cities, districts); or placed in a reserve account, separate from the contingency reserve that is appropriated each year.

The FY 2016-17 budget, as proposed, provides that, to the extent possible, the available fund balance be used to offset FY 2016-17 revenues.

Interest Earnings

In November 2006, the Commission initiated an investment policy and directed LAFCO staff to work with the County Treasurer to invest the appropriate level of LAFCO funds.

The FY 2016-17 budget includes no anticipated interest earnings, based on the anticipated lack of investment activity due to market volatility. The County Treasurer's office has advised LAFCO to refrain from investing until further notice, given the investment fees currently outweigh the interest income. LAFCO staff will continue to monitor the investment market.

Revenues Received from the County, Cities and Independent Special Districts

After processing fees, available fund balance and other miscellaneous revenues, the balance of LAFCO's financial support comes from local governmental agencies. Agency contributions represent the most significant LAFCO revenue source.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") requires that the net operational costs of LAFCO be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The CKH describes how the County Auditor is to make the apportionment and collect the revenues once LAFCO adopts a Final Budget (Gov. Code §56381). The city and district allocations are based on revenues reported to the State Controller and vary year to year.

As indicated above, the overall budget is expected to increase by approximately 8.3%. The proposed use of the available fund balance will offset agency contributions for FY 2016-17. The amount of revenue from other government agencies required to fund the FY 2015-16 LAFCO budget was \$651,730. As proposed, the total amount of revenue from other government agencies needed to fund the FY 2016-17 budget will be approximately \$708,445, reflecting an 8% increase. Not all funding agencies will see an 8% increase in the LAFCO contributions, some may see less than 8%, while others may see more than 8%. The city and district shares are prorated based on general revenues reported to the State Controller.

BUDGET OPTIONS

Last month, the Commission received the FY 2016-17 budget schedule and work plan preview. As part of the conversation, the Commission discussed the future of Contra Costa LAFCO, succession planning, and short and long range and goals and objectives. The Commission directed staff to include in the proposed budget costs associated with relocation of LAFCO offices and additional staffing.

Budget Option 1 - Relocation of LAFCO Office

Contra Costa LAFCO currently leases office space at 651 Pine Street in Martinez. We have an opportunity to relocate to 40 Muir Road in Martinez. There are several advantages to a possible relocation, including close proximity to the County GIS division with whom we have regular interaction, and the potential to lease additional office space than is currently available at 651 Pine Street.

LAFCO staff has been working with the County Department of Development and Conservation and Public Works on a possible relocation.

The annual costs associated with relocation as compared to remaining at 651 Pine Street are summarized below.

Factors	651 Pine Street (current location)	40 Muir Rd (potential new location)
Square footage	580 sq. ft. dedicated space, plus common area	1,000 sq. ft. dedicated space (currently unimproved), plus common area
FY 2016-17 rent (1)	\$ 8,624	\$11,550
Building Life Cycle Cost	\$ 305	\$ 578
Copier lease	\$ 4,000	\$ 4,000
Construction costs (amortized over 5 years)	N/A	\$12,000
Total Annual Cost	\$12,929	\$28,128

Note: (1) Includes maintenance, custodial, utilities, parking, use of Commission meeting room and conference rooms

In addition to those costs listed above, there would be additional costs associated with relocating, including moving and disposal of surplus property, along with “change of address” costs (e.g., business cards, mailing labels, etc.) which could be absorbed in the Office Supplies account.

The cost per square foot at 40 Muir Road (\$11.55/yr), excluding the amortized construction costs, and including the amenities listed above (e.g., maintenance, custodial, utilities, parking, etc.) is competitive with the market. The current average rates in Martinez (Commercial/Business/Retail), range from approximately \$11.50/yr to \$29.40/yr (excluding most amenities).

The primary advantages of relocating to 40 Muir Road are that it provides LAFCO room to grow and potentially add staff; whereas 651 Pine Street does not afford that opportunity. The Muir Road location offers proximity and commonality with County GIS/Demographics/Planning, with whom LAFCO has regular interaction. Finally, the 651 Pine Street building is nearly 60 years old, and could be likely to be demolished or replaced within the next 10 years—perhaps earlier, if a major quake were to affect Martinez.

The timing of a possible move to 40 Muir Road is currently uncertain and would likely not occur until after January 1, 2017. Should the Commission support relocation of the LAFCO office, staff will include costs associated with seven months rent at 651 Pine Street, and five months

rent at 40 Muir Road, along with related moving costs in the FY 2016-17 Final Budget to be presented on May 11, 2016. The table below summarizes the budget impact of relocating to 40 Muir Road effective February 1, 2017.

FY 2016-17 Proposed Budget and Budget Option 1 (Relocation)

Account	FY 2016-17 Proposed Budget	Option 1	Percentage Difference
Salaries & Benefits	\$403,257	\$403,257	-
Services & Supplies	353,188	362,021	2.5%
Contingency/Reserve	80,000	80,000	-
OPEB Trust	40,000	40,000	-
Total Appropriations	\$876,445	\$885,278	1.01%
Agency Contributions	\$708,445	\$717,278	1.25%
Application/Other Revenue	18,000	18,000	-
Interest Earnings		-	-
Fund Balance	150,000	150,000	-
Total Revenues	\$876,445	\$885,278	

Budget Option 2 - Relocation of LAFCO Office and Additional Staffing

In February, the Commission discussed the potential to expand LAFCO staff in the future, as application activity increases, as we continue/expand our work on policies and procedures, to embark on inventive projects and programs, to enhance our public outreach and education, and to maintain our current level of involvement at a statewide level with CALAFCO and other stakeholders.

Contra Costa LAFCO currently employs two full-time staff – an Executive Officer and an Executive Assistant/LAFCO Clerk. Of the 16 Bay Area and urban LAFCOs, Contra Costa LAFCO is one of four that operates with fewer than three full-time employees. In addition, we outsource a number of services as discussed above.

While LAFCO staff believes that additional staff is reasonable, LAFCO must first decide whether or not to relocate the LAFCO office. Relocation is a prerequisite to adding staff, as there is no additional office space at our current location.

Also, additional time is needed to assess the types of assignments/projects to be performed by a new staff position, the type of position (employee, contractor), position classification (e.g., Analyst, Planner, etc.), level of staffing (i.e., part-time, full-time), and other factors. Depending on the type of position, amendments to LAFCO’s classification, salary and benefit plans may also be necessary.

Should the Commission approve the relocation of the LAFCO office, staff will begin assessment of the above. Also, given the potential timing of relocation of the LAFCO office (after January 1, 2017), it is unlikely that a new staff position would be in place in FY 2016/17. Costs associated with a new staff position would likely be included in the FY 2017-18 budget.

GENERAL DISCUSSION

The CKH requires that each LAFCO adopt a proposed budget by May 1 and a final budget by June 15. In accordance with the 2016-17 Budget Schedule approved by the Commission in February, the hearing for the Proposed Budget is scheduled for March 9th, and the hearing for the Final Budget is scheduled for May 11th. The time between these Commission actions is to allow for review and comment by those agencies that fund LAFCO and by other interested parties.

Major LAFCO Responsibilities

LAFCO receives its authority and statutory obligations from the CKH Act. Included among LAFCO's major responsibilities are:

- Act on proposals for changes of organization (i.e., city incorporations; district formations, dissolutions, consolidations and mergers; annexations and detachments of territory to and from cities and special districts; out of agency service requests, etc.)
- Establish, review and update spheres of influence (SOIs) for cities and special districts
- Conduct MSR's prior to or in conjunction with establishing or updating SOIs
- Perform special studies relating to services and make recommendations about consolidations, mergers or other governmental changes to improve/enhance services and efficiencies
- Serve as the Lead or Responsible Agency for compliance with the California Environmental Quality Act (CEQA)
- Serve as the conducting authority to conduct protest hearings relating to changes of organization/reorganizations
- Provide public information about LAFCO and public noticing of pending LAFCO actions
- Establish and maintain a website
- Adopt and update written policies and procedures
- Adopt an annual budget

Highlights of FY 2015-16

The following represents some of the major accomplishments of the Commission in the current fiscal year:

Boundary Change and Related Applications

- a. Completed proceedings for four boundary changes/reorganizations.
- b. Received four new applications including two annexations, one detachment and one out of agency service request.
- c. Requested and received approval for transfers of jurisdiction related to a proposed annexation (Alameda LAFCO) and a proposed detachment (San Joaquin LAFCO).

Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) Updates

- a. Completed 2nd round Reclamation Services MSR covering 14 special districts.
- b. Initiated 2nd round EMS/Fire MSR. The Public Review Draft MSR is expected to be released in April 2016.

Special Projects

- a. Hosted an Agricultural & Open Space Preservation Workshop.
- b. Hosted a series of informational presentations dealing with drought and related issues.

- c. Continued work on developing an agriculture/open space preservation policy; made presentations to various stakeholder groups.

Administrative and Other Activities

- a. Conducted special election to fill Commissioner George Schmidt's seat.
- b. Completed Request for Proposals and awarded a contract for 2nd round EMS/Fire MSR/SOI updates.
- c. Approved new Legislative and Broadband policies.
- d. Revised SOI and boundary change applications and procedures to include an agricultural and open space impact assessment.
- e. Adopted a new fee schedule.
- f. Received quarterly budget reports.
- g. Completed annual employee performance reviews.
- h. Provided comments on a number of local agency environmental documents.
- i. Updated the LAFCO Directory of Local Agencies.
- j. Initiated FY 2014-15 financial audit.
- k. Submitted position letters on various bills affecting LAFCOs.
- l. Participated in and supported CALAFCO.

FY 2016-17 Work Plan

The recommended work plan for FY 2016-17 includes the following activities:

- ❖ Complete 2nd round MSR/SOI updates covering EMS/Fire services
- ❖ Initiate 2nd round MSRs/SOI updates covering healthcare services and cities/community services districts
- ❖ Initiate/complete special studies (e.g., West Contra Costa Healthcare District, Rollingwood Wilart Park Recreation & Park District)
- ❖ Continue work on the updating/enhancing of Commissioner Handbook including developing policies to address ag/open space preservation, Disadvantaged Unincorporated Communities (DUCs), CEQA Guidelines, and processing multi-county applications
- ❖ Continue to work with the County, cities and districts on boundary clean-ups/islands
- ❖ Update LAFCO website
- ❖ Complete FY 2014-15 audit
- ❖ Continue to refine electronic records for easier access
- ❖ Continue to participate in and support CALAFCO

In addition to the above, LAFCO staff will continue ongoing activities including processing LAFCO applications; supporting Commission/Committee meetings; administering the budget; managing records, purchasing, and contracts; performing other administrative activities. Staff will facilitate inter-agency communications; conduct education and outreach as time allows; participate in regional forums as appropriate; participate in CALAFCO training and activities (i.e., CALAFCO Legislative Committee, Staff Workshop, Annual Conference, CALAFCO U). LAFCO staff currently serves as a member of the Staff Workshop Program Committee, and continues to work with the CALAFCO Executive Director and Clerks around the State to develop a Clerk Certification program.

In conclusion, the Commission and LAFCO staff continue to exercise fiscal prudence, recognizing the financial constraints faced by our funding agencies. Approval of the proposed budget will enable the Commission to perform its core responsibilities effectively, and continue its work on MSRs/SOI updates, special studies, policy development and other projects.

RECOMMENDATIONS

1. Receive the staff report and open the public hearing to accept testimony on the Proposed FY 2016-17 LAFCO Budget,
2. After receiving public comments close the hearing,
3. After Commission discussion, adopt the Proposed Budget for FY 2016-17, with any desired changes, and authorize staff to distribute the Proposed Budget to the County, cities and independent special districts as required by Government Code Section 56381, and
4. Schedule a public hearing for May 11, 2016 to adopt the Final FY 2016-17 LAFCO Budget.

Respectfully submitted,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Proposed FY 2016-17 LAFCO Budget

PROPOSED FY 2016-17 LAFCO BUDGET

	FY 2015-16	FY 2015-16	FY 2016-17	
	Approved	Year-End	Proposed	% Change
		(Estimated)		
Salaries and Employee Benefits				
Permanent Salaries- 1011	\$ 208,432	\$ 205,330	\$ 213,401	2.3%
Deferred Comp Cty Contribution - 1015	\$ 1,020	255	\$ 1,020	0.0%
FICA- 1042	\$ 16,049	\$ 15,810	\$ 16,432	2.3%
Retirement expense- 1044	\$ 109,740	\$ 112,372	\$ 97,418	-12.6%
Employee Group Insurance- 1060	\$ 50,387	\$ 52,242	\$ 53,410	5.7%
Retiree Health Insurance- 1061	\$ 20,000	\$ 19,263	\$ 20,000	0.0%
Unemployment Insurance- 1063	\$ 625	\$ 616	\$ 576	-8.5%
Workers Comp Insurance- 1070	\$ 1,000	\$ 987	\$ 1,000	0.0%
Total Salaries and Benefits	\$ 407,253	\$ 406,875	\$ 403,257	-1.0%
Services and Supplies				
Office Expense- 2100	\$ 3,000	\$ 917	\$ 3,000	0.0%
Publications -2102	\$ 50	\$ 20	\$ 30	-66.7%
Postage -2103	\$ 1,500	\$ 653	\$ 1,800	16.7%
Communications - 2110	\$ 230	\$ 728	\$ 1,000	77.0%
Tele Exchange Services 2111	\$ 1,375	\$ 1,376	\$ 1,404	2.1%
Minor Comp Equipment - 2132	\$ 1,000	\$ -	\$ 1,000	0.0%
Pubs & Legal Notices 2190	\$ 2,000	\$ 1,238	\$ 2,000	0.0%
Memberships - 2200	\$ 8,858	\$ 8,933	\$ 9,599	7.7%
Rents & Leases - 2250 (copier)	\$ 4,000	\$ 3,347	\$ 4,000	0.0%
Computer Software - 2251	\$ 500	\$ -	\$ 500	0.0%
Bldg Occupancy Costs - 2262	\$ 7,623	\$ 7,207	\$ 8,624	11.6%
Bldg Life Cycle Costs - 2265	\$ 381	\$ 332	\$ 305	-24.9%
Bldg Maintenance - 2284	\$ -	\$ 270		
Auto Mileage Emp. - 2301		\$ 589	\$ 1,000	100.0%
Other Travel Employees - 2303	\$ 10,000	\$ 10,000	\$ 11,000	9.1%
Prof & Spec Services - 2310	\$ 198,250	\$ 205,243	\$ 264,300	25.0%
Assessor	\$ 13,000	\$ 9,352	\$ 13,000	0.0%
Financial Audit	\$ 7,000	\$ 7,900	\$ 7,900	11.4%
GIS/Mapping	\$ 20,000	\$ 19,216	\$ 20,000	0.0%
Legal	\$ 35,000	\$ 33,454	\$ 37,000	5.4%
MSRs	\$ 80,000	\$ 112,287	\$ 115,000	30.4%
Planning	\$ 38,000	\$ 18,284	\$ 38,000	0.0%
Special Projects (document imaging)	\$ 3,750	\$ 3,414	\$ 4,900	23.5%
Investment Services		\$ -		
LAFCO Sponsored Training	\$ 1,500	\$ 1,336	\$ 1,500	0.0%
Special Study		\$ -	\$ 27,000	100.0%
Contracted Temp Help - 2314 (Web)	\$ 2,880	\$ 2,880	\$ 3,380	14.8%
Data Processing Services - 2315	\$ 3,000	\$ 2,970	\$ 3,500	14.3%
Data Processing Security - 2326	\$ 223	\$ 223	\$ 173	-28.9%
Courier - 2331	\$ 2,130	\$ 2,064	\$ 1,963	-8.5%
Other Inter-Dept Costs - 2340	\$ 97	\$ 96	\$ 110	11.8%
Liability/E&O Insurance - 2360	\$ 4,100	\$ 4,163	\$ 4,200	2.4%
Commission Training/Registration/Stipends - 2467	\$ 35,000	\$ 26,190	\$ 30,000	-16.7%
NOD/NOE Filings - 2490	\$ 300	\$ 250	\$ 300	0.0%
Total Services & Supplies	\$ 286,497	\$ 279,689	\$ 353,188	18.9%
Fixed Assets				
Office Equipment & Furniture - 4951		\$ -		
Total Fixed Assets				
Total Expenditures	\$ 693,750	\$ 686,564	\$ 756,445	8.3%
Contingency Reserve	\$ 80,000	\$ -	\$ 80,000	
OPEB Trust	\$ 40,000	\$ 40,000	\$ 40,000	
TOTAL APPROPRIATIONS	\$ 813,750	\$ 726,564	\$ 876,445	7.2%
TOTAL REVENUES				
TOTAL REVENUES	\$ 813,730	\$ 679,353	\$ 876,445	7.2%
Agency contributions - 9500 & 9800	\$ 651,730	\$ 651,730	\$ 708,445	8.0%
Application & other revenues	\$ 12,000	\$ 27,623	\$ 18,000	33.3%
Interest Earnings				
Fund Balance	\$ 150,000		\$ 150,000	



Lou Ann Teixeira
Executive Officer

MEMBERS

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March 9, 2016
 Agenda Item 10

March 9, 2016 (Agenda)

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

West Contra Costa Health Care District – Special Study

Dear Members of the Commission:

Last month, the Commission received the FY 2016-17 budget schedule, along with a work plan preview. Included in the work plan preview were a number of potential projects, including Municipal Service Reviews (MSRs), policies and procedures updates, special studies, and others.

The Commission provided direction as to preferred projects and activities to be included in the proposed FY 2016-17 budget. The Commission also expressed interest in moving forward this year with a special study of the West Contra Costa Healthcare District (WCCHCD)/Doctor’s Hospital to review governance options, including dissolution.

In 2014, the WCCHCD Board voted to close Doctor’s Hospital. The hospital officially shut down its operations in April 2015 following years of financial struggles. The District is currently in the process of winding down its activities and selling the hospital property. A LAFCO study could be timely as it will identify governance options, including dissolution, and provide an opportunity to assimilate information relating to the District’s obligations (e.g., contracts, bonds, etc.), and assets (e.g., proceeds from the sale of the property, property and parcel tax revenue, etc.) in one document.

In order to expedite the study, LAFCO staff has discussed the project with Richard Berkson (Berkson Associates) to determine the scope of work and estimated cost. Mr. Berkson is currently working on Contra Costa LAFCO’s Fire & Emergency Services MSR in conjunction with Municipal Resource Group, LLC. In addition, Mr. Berkson previously worked for Contra Costa LAFCO on the Mt. Diablo Healthcare District special study and the Comprehensive Fiscal Analysis for the proposed incorporation of the Town of Alamo.

Mr. Berkson has over 30 years of experience working with local agencies throughout California. Areas of expertise include government organization, fiscal, financial and market analysis, and public finance. He has prepared numerous LAFCO governance studies and municipal service reviews; studies addressing incorporations, annexations, special district formations,

consolidations, and dissolutions; design and preparation of financial strategy studies, capital and infrastructure plans, fee, tax and related studies.

My Berkson has prepared similar studies, is familiar with Contra Costa County, and is available to assist with this study.

In general, the scope of work will include the following components.

- ❖ **Overview of WCCHCD** (e.g., history/evolution, services, population served, special assessments, special taxes, other funding sources)
- ❖ **Financial Review** (e.g., operating expenditures, revenues, assets, debt obligations, other short and long term liabilities)
- ❖ **Governance and Service Options** (e.g., dissolution, successor agency, other)

The special study will take approximately 4-5 months to complete. Following the special study, should the Commission wish to initiate a change of organization or reorganization, such a process will take several months to complete. Further, based on current law, the dissolution of a healthcare district requires an election (Gov. Code §57103).

OPTIONS

1. Move forward with a special study. Approve a budget adjustment in the amount of \$25,000 and authorize an appropriation in the same amount from the contingency reserve; and authorize the LAFCO Executive Officer to execute a contract with Berkson Associates to prepare the special study, with a contract term from March 10, 2016 through August 31, 2016 in an amount not to exceed \$25,000; or
2. Defer or do not move forward with a special study. The WCCHCD will be covered in the next healthcare services MSR which is proposed for FY 2016-17; or
3. Provide other direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

- c: Board Members and Interim CEO, West Contra Costa Healthcare District
Contra Costa County Administrator
City Managers, Cities of El Cerrito, Hercules, Pinole, Richmond, San Pablo



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member
Federal Glover
County Member
Michael R. McGill
Special District Member
Mary N. Piepho
County Member
Rob Schroder
City Member
Igor Skaredoff
Special District Member
Don Tatzin
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member
Sharon Burke
Public Member
Tom Butt
City Member
Stanley Caldwell
Special District Member

March 9, 2016 (Agenda)

March 9, 2016
Agenda Item 11

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

Proposed Update to Contra Costa LAFCO’s Legislative Platform

Dear Members of the Commission:

In October 2015, the Commission adopted its own legislative policy (Attachment 1) along with a legislative platform that mirrors the CALAFCO Legislative Policies (Attachment 2).

The CALAFCO Legislative Policies are comprehensive and cover a range of issues including *LAFCO Purpose and Authority, LAFCO Organization, Agricultural and Open Space Protection, Orderly Growth, Service Deliver and Local Agency Effectiveness and Legislative Priorities.*

CALAFCO’s Legislative Policies support legislation that enhances LAFCO’s authority to carry out the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 based on local conditions. CALAFCO’s Legislative Policies also serve as a guide for its Legislative Committee. Commissioner McGill and your Executive Officer currently serve as members of the CALAFCO Legislative Committee, which acts on behalf of the CALAFCO Board in developing and taking positions on legislation based on the Board’s legislative policies and priorities.

The CALAFCO Legislative Committee conducts an annual review of the CALAFCO Legislative Policies and makes recommendations to the Board regarding policy modifications.

The CALAFCO Board reviews and annually adopts its legislative policies and recommendations, as proposed by the CALAFCO Legislative Committee. On February 5, 2016, the CALAFCO Board adopted minor changes to its Legislative Policies as recommended by the CALAFCO Legislative Committee as shown in tracked format in Attachment 2.

RECOMMENDATION: The Policy & Procedures Committee recommends that the Commission approve minor changes to the Commission’s legislative platform to coincide with recent changes to CALAFCO Legislative Policies, with any other changes as desired.

Respectfully submitted,

Sharon Burke and Don Tatzin

Attachment 1 – Contra Costa LAFCO’s Legislative Policy
Attachment 2 – Contra Costa LAFCO’s Legislative Platform (CALAFCO’S Legislative Policies)

1.4 RULES AND PROCEDURES

J. Legislative Policy

- 1) The Commission shall consider adoption of a Legislative Policy annually, or as needed.
- 2) In situations when proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the LAFCO Chair (or Vice Chair in the absence of the Chair), is authorized to provide written or email comments communicating the Commission's position if the position is consistent with the adopted legislative policies of the Commission.
- 3) The Chair or Vice Chair would review the letter or email prior to it being submitted.
- 4) The Executive Officer will forward the email or letter to the Commission as soon as possible.
- 5) The item will be placed on the next regular LAFCO meeting agenda as either "informational" or for discussion purposes.

Adopted October 14, 2015



CALAFCO 20165 Legislative Policies

As adopted by the Board of Directors on 8 May 2015

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq. and oppose legislation which diminishes LAFCo authority.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure ensure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.
- 4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

As adopted by the Board of Directors on 8 May 2015

- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCos and regional planning agencies.
- 5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and LAFCOs that encourage

2015 Legislative Priorities

Primary Issues

Authority of LAFCo	Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues. Support legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, as well as to enact recommendations related to the delivery of services and the agencies providing them, including consolidations, reorganizations or dissolutions.
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Agriculture and Open Space Protection	Preserve prime agriculture and open space lands. Support policies, programs and legislation that recognize LAFCo's mission to protect and mitigate the loss of prime agricultural and open space lands and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth. Support efforts that encourage the creation of habitat conservation plans.
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Water Availability	<u>Support policies, programs and legislation that promote an integrated approach to water availability and management.</u> Promote adequate water supplies and infrastructure planning for current and planned growth as well as to support the sustainability of agriculture. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding water company service
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areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services. ~~Support policies that promote an integrated approach to water availability and management.~~

of uninhabited territory which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair and maintenance. Support efforts that encourage the creation of habitat conservation plans.

Viability of Local Services

Support legislation that maintains or enhances LAFCo’s ability to review and act to determine the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs including those identified in regional planning efforts such as sustainable communities strategies. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, ~~including incorporation as a city, formation as a special district, or reorganizations or dissolutions~~ to ensure efficient, effective, and quality service delivery. Support efforts which provide tools to local agencies to address aging infrastructure, fiscal challenges and the maintenance of services.

Adequate Municipal Services in Inhabited Territory

Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. To promote environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services, including options for annexation of contiguous disadvantaged unincorporated communities. Promote the delivery of adequate, sustainable, efficient, and effective levels of service through periodic updates of Municipal Service reviews, Spheres of Influence, and other studies.

Issues of Interest

Housing Provision of territory and services to support housing plans consistent with regional land use plans and local LAFCo policies.

Transportation Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider the value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas



Lou Ann Teixeira
 Executive Officer

MEMBERS

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

ALTERNATE MEMBERS

Candace Andersen
County Member
 Sharon Burke
Public Member
 Tom Butt
City Member
 Stanley Caldwell
Special District Member

March 9, 2016
 Agenda Item 12

March 9, 2016

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 2015-16 legislative session is underway. CALAFCO is sponsoring two bills including its annual omnibus bill, which has not yet been introduced and is in progress, and SB 1266 (see below). CALAFCO is also tracking a number of bills which have direct and indirect impact on LAFCOs (Attachment 1 - CALAFCO Legislative Report). At this time, we draw your attention to the following:

SB 1266 (Maguire) – *Joint Powers Agreement (JPA)* – This is one of two CALAFCO sponsored bills. This bill will create a direct communication connection with JPAs. CALAFCO has been working for several months with the author and stakeholders, and as a result, has narrowed the scope considerably from its original format. The current bill focuses only on those stand-alone JPAs that were formed to provide municipal services. The amended bill will be available in print later this month. For more information, see attached SB 1266 information sheet and FAQ (Attachments 2 and 3). CALAFCO requests that its members send letters supporting SB 1266 (Attachment 4 – draft letter supporting SB 1266).

SB 817 (Roth) – *Local government finance: property tax revenue allocations; vehicle license fee adjustments* - This bill is identical to SB 25 (2015) and SB 69 (2014), both of which were vetoed by the Governor despite their being unanimously passed by the Legislature. SB 817 reinstates allocations to recently incorporated cities (using ERAF money) consistent with the allocation formula those communities relied upon when making the decision to incorporate. CALAFCO has taken a support position on this bill and requests that its members send letters supporting this bill (Attachment 5 - draft letter supporting SB 817).

SB 971, SB 972 and SB 973 - The Senate Governance & Finance Committee every year submits three annual validating acts, which CALFSCO has historically supported. CALAFSCO has taken

support positions on these bills and requests that its members send letters supporting these bills (Attachment 6 – draft letter supporting SB 971, SB 972 and SB 973).

RECOMMENDATION - Provide input and direct staff to submit position letters as requested by CALAFCO.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – March 2, 2016

Attachment 2 - CALAFCO's Information Sheet - *SB 1266* (Maguire) – *JPA*s

Attachment 3 - CALAFCO's FAQ - *SB 1266* (Maguire) – *JPA*s

Attachment 4 – Draft Letter of Support - *SB 1266* (Maguire) – *JPA*s

Attachment 5 - Draft Letter of Support – *SB 817* (Roth) – *Local government finance: property tax revenue allocations; vehicle license fee adjustments*

Attachment 6 - Draft Letter of Support – *SB 971, SB 972 and SB 973* (Senate Governance & Finance Committee) – *Validations*

CALAFCO Daily Legislative Report as of Wednesday, March 02, 2016

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[AB 115](#) (Committee on Budget) Water.

Current Text: Amended: 6/18/2015 [pdf](#) [html](#)

Introduced: 1/9/2015

Last Amended: 6/18/2015

Status: 9/11/2015-Ordered to inactive file at the request of Senator Mitchell.

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

Summary:

Would authorize the State Water Resources Control Board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation.

Position: Oppose

Subject: Disadvantaged Communities, LAFCo Administration, Special District Consolidations, Water

CALAFCO Comments: UPDATED COMMENTS: CALAFCO continues to monitor this bill to ensure it does re-present itself in another form impacting LAFCo.

OLDER COMMENTS: This bill is the same as SB 88, which was passed in 2015. As amended, AB 115 gives the State Water Resources Control Board (SWRCB) direct authority to mandate either an extension of service or consolidation of water systems, including public and private systems, and individual wells. The bill focuses on disadvantage communities. Prior to ordering the consolidation, the SWRCB must make certain determinations and take certain actions, including conducting a public hearing in the affected territory. They are also required to "consult with and fully consider input from the relevant LAFCo, the PUC, and either the city or county (whichever has land use authority). Entities are allowed 6 months to find workable solutions before the SWRCB mandates the action. Prior to making the order, the SWRCB must make certain determinations. Upon making the order, the SWRCB must make funding available to the receiving water system for capacity building (no operations and maintenance funding is provided, adequately compensate the subsumed system, pay fees to the LAFCo for whatever work they will do (which is as of now undefined) to facilitate the action. The bill also contains certain CEQA exemptions and liability relief for the subsuming water entity, as well as various penalties. Finally, the bill makes legislative findings and declarations as to the reason for the SWRCB to have these powers, which has been taken directly from the legislative findings and declarations of CKH and the reason LAFCos have the powers they do.

CALAFCO has attempted to work with the administration for some time in defining the best possible process for these actions. However, for the most part, amendments proposed have been dismissed. CALAFCO has a number of concerns regarding the proposed process, not the least of which is the language in section 116682 (g) (the way it is worded now, it exempts the entire consolidation process and there is a legal argument that this would divest LAFCo of any authority to complete the consolidation since that authority is solely contained in CKH). Further, we requested indemnification for LAFCo as they implement section 11682(e)(4) which was also dismissed.

AB 448 (Brown D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 8/27/2015-In committee: Held under submission.

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

Summary:

Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 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 Letter March 2015](#)

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

AB 2032 (Linder R) Change of organization: cities: disincorporation.

Current Text: Introduced: 2/16/2016 [pdf](#) [html](#)

Introduced: 2/16/2016

Status: 2/17/2016-From printer. May be heard in committee March 18.

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 prohibits the local area formation commission from approving or conditionally approving any proposal that includes a disincorporation of a city unless the commission determines, among other things, that the disincorporation is consistent with the intent of the act, the disincorporation will address necessary changes to spheres of influence of affected agencies, and the service responsibilities of the city proposed for disincorporation have been assigned. This bill would make a nonsubstantive change to this provision.

Position: Placeholder - monitor

Subject: CKH General Procedures, Disincorporation/dissolution

CALAFCO Comments: This is a spot bill sponsored by the County Auditor's Association. CALAFCO was not contacted prior to the introduction of the bill. According to the Sponsor, LA and Riverside Counties (mostly LA County) have lingering concerns over some of the language adopted in AB 851 (Mayes, 2015). No specific details are available at this time.

AB 2277 (Melendez R) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be heard in committee March 20.

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, 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 a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2016-17 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.

Position: Watch

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: As introduced, this bill is identical to AB 448 (Brown) from 2015 and AB 1521 (Fox) from 2014. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2016-17 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2017-18, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation.

AB 2471 (Quirk D) Health care districts: dissolution.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-Read first time.

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

Summary:

Would require a local agency formation commission to order the dissolution of a health care district without an election if the health care district meets certain criteria, as specified. The bill would subject a dissolution under these provisions to the provisions of the act for winding up the affairs of a dissolved district.

Position: Watch

Subject: CKH General Procedures, Disincorporation/dissolution, Special District Consolidations

CALAFCO Comments: As introduced, this bill amends CKH 57103 and Health & Safety Code by adding Section 32495. These changes require a LAFCO to order the dissolution of a health care district without an election, providing the health care district: (1) does not currently receive a property tax allocation; (2) has substantial net assets; and (3) does not provide a direct health care service (defined as the ownership or operation of a hospital, medical clinic, wellness center or ambulance service).

CALAFCO was not contacted by the author prior to the bill's introduction. According to the author's office, the bill is sponsored by Alameda County and focuses on a local issue with the Eden Health Care District. However, the bill is not written exclusively to address that issue, but rather all health care districts that meet the noted criteria.

SB 552 (Wolk D) Public water systems: disadvantaged communities: consolidation or extension of service.

Current Text: Amended: 7/7/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amended: 7/7/2015

Status: 7/17/2015-Failed Deadline pursuant to Rule 61(a)(10). (Last location was RLS. on 7/9/2015)

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

Summary:

Current law, for purposes of the California Safe Drinking Water Act, defines "disadvantaged community" to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company. This bill would allow a community to be a "disadvantaged community" if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: Previously, CALAFCO was informed by the author's office that this bill is being amended as a vehicle to clean-up the water consolidation legislation passed through as a budget trailer bill, SB 88/AB 115. However, to date there has been response from the author's office as to what that may look like. CALAFCO continues to monitor for amendments.

SB 817 (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Amended: 2/22/2016 [pdf](#) [html](#)

Introduced: 1/5/2016

Last Amended: 2/22/2016

Status: 2/22/2016-From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

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, 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 a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2016-17 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 Letter_Febuary 29, 2016](#)

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: As amended, this bill is identical to SB 25 (Roth, 2015) and SB 69 (Roth, 2014). The bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2016/17 year for cities that incorporated between 1-1-2004 and 1-1-2012.

SB 1262 (Pavley D) Water supply planning.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be acted upon on or after March 20.

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

Summary:

Would require a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site. This bill would require, if

a water source for a proposed project includes water of a quality not sufficient to meet certain drinking water standards, that prescribed additional information be included in a water supply assessment. This bill, if no water system is identified, would require a city or county to prepare a technical report containing prescribed information.

Position: Watch

Subject: Water

CALAFCO Comments: As introduced, this complicated bill makes a number of changes to GC Section 66473.7 and Section 10910 of the Water Code. In 66473.7, in the definitions section, the bill adds definitions pertaining to the use of groundwater by a proposed subdivision as the source of water. It adds an adopted groundwater sustainability plan as optional substantial evidence that the water system has sufficient water supply to meet the demands of the subdivision project. The bill adds that a groundwater basin identified by the State Water Resources Control Board (SWRCB) as a probationary basin is not considered a viable water supply.

In Water Code section 10910, the bill makes the following changes: If no water system that is within or adjacent to the service area of the project site is identified as a viable source of water for the project, the city or county shall prepare a technical report that includes five factors. Based on this report, if the city or county determines that it is feasible for a water system to provide water to the project, the city or county shall submit the technical report to the local LAFCo with jurisdiction over the project. If the LAFCo denies the annexation or extension of service then the city or county shall develop a water supply assessment as outlined in 10910.

What is unclear to CALAFCO at this time is what is to be done with the assessment once completed, and why it is not completed prior to the LAFCo considering the application.

SB 1266 (McGuire D) Joint Exercise of Powers Act: agreements: filings.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be acted upon on or after March 20.

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

Summary:

When a joint powers agreement provides for the creation of an agency or entity, separate from the parties to the agreement and responsible for its administration, current law requires that agency or entity to cause a notice of the agreement or amendment to be prepared and filed, as specified, with the Secretary of State. This bill would require an agency or entity required to file documents with the Controller, as described above, that includes a member that is a local agency and is a joint powers authority or joint powers agency, to also file a copy of the agreement or amendment with the local agency formation commission in each of the counties in each county within which all or any part a local agency member's territory is located within 90 days after the effective date of the agreement or amendment.

Attachments:

[CALAFCO Support Letter February 29, 2016](#)

Position: Sponsor

Subject: Joint Power Authorities, LAFCo Administration

CALAFCO Comments: This is a CALAFCO sponsored bill with a number of amendments pending, as, although submitted to Leg Counsel for inclusion, were not included in the introductory version of the bill. The intent is that all stand-alone JPAs, as defined in GC Section 56047.7, which includes a member that is a public agency as defined in GC Section 56054, and is formed for the purposes of delivering municipal services, shall file a copy of their agreement (and a copy of any amendments to that agreement) with the LAFCo in each county within which all or any part a local agency member's territory is located.

SB 1276 (Moorlach R) Local agencies.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

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, establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make nonsubstantive changes to the above-described law.

Position: Placeholder - monitor

Subject: CKH General Procedures

CALAFCO Comments: This is a spot bill to amend CKH. CALAFCO has not been contacted by the author's office regarding their intent.

SB 1318 (Wolk D) Local government: drinking water infrastructure or services: wastewater infrastructure or services.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

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

Summary:

Would prohibit a local agency formation commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Service Reviews/Spheres, Water

CALAFCO Comments: As introduced, this bill amends GC Sections 56133, 56425 and 56430. To begin, the bill would prohibit a LAFCo commission from authorizing a city or a district to extend drinking water or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. Further, it prohibits the commission from approving a sphere of influence (SOI) update where there exists a disadvantaged unincorporated community (DUC) within or adjacent to the city or special district's SOI that lacks safe drinking water or wastewater infrastructure or services unless specified conditions are met. This bill would prohibit commissions from authorizing a city or a district to extend drinking water or wastewater infrastructure or services until it has extended services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities.

The bill would additionally prohibit a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a DUC within or adjacent to the SOI of a city or special district that lacks safe drinking water or wastewater infrastructure or services, unless the city or special district has entered into an enforceable agreement to extend those services into the DUC as specified. The bill would define "qualified special district"

to mean a special district with more than 500 service connections.

The bill changes, when determining a SOI, the assessment of the feasibility of a reorg of agencies and recommendations of reorg of those agencies when it is found to be feasible, to a mandate (changes 56425 (h) from "may" to "shall"). Further, it adds (k), prohibiting a commission from approving a SOI update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed SOI.

The bill adds several requirements in GC Section 56430 relating to Municipal Service Reviews. First, it changes (b) to mandate the commission to assess various alternatives relating to the efficiency and affordability of infrastructure and delivery of services; and changes (c) to mandate the commission to include a review whether the agency being reviewed is in compliance with the CA Safe Drinking Water Act.

This bill adds a number of mandates to LAFCos. CALAFCO was NOT contacted by the author's office prior to the introduction of this bill.

[AB 1362](#) (Gordon D) Mosquito abatement and vector control districts: board of trustees: appointment of members.

Current Text: Amended: 1/19/2016 [pdf](#) [html](#)

Introduced: 2/27/2015

Last Amended: 1/19/2016

Status: 2/4/2016-Referred to Com. on GOV. & F.

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

Summary:

Would authorize a city council, located in an existing or newly formed district as specified, to adopt a resolution requesting that appointments of persons to the board of trustees instead be made by a city selection committee, established pursuant to specified provisions of law, and conditioned upon a majority of authorized city councils adopting their respective resolutions. This bill would authorize the city selection committee to decrease the total number of appointments to be made by the committee if a majority of city councils within the district make this request in their respective resolutions.

Position: Watch

CALAFCO Comments: As amended, this bill amends the Health and Safety Code by creating an alternative option to the appointment process to the board of trustees of a district. The additional process calls for the City Selection Committee to make appointments rather than the cities themselves in a case where a majority of the city councils located within the district and are authorized to appoint a person to the board of trustees adopt resolutions approving of this alternate appointment process. No change is being made to how the County Board of Supervisors makes their appoint to the district board.

This is a locally supported bill, stemming from an issue in San Mateo with their Mosquito Abatement District which is in the Assembly member's district.

[SB 1360](#) (Bates R) Local government.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

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

1st House	2nd House	Conc.
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Summary:

Under current law, the legislative body of any local agency, defined to mean a county, city, city and county, or public district, may contract with any other local agency for the performance by the latter of municipal services or functions within the territory of the former, but prohibits the force account limit applicable to the local agency contracting to receive services from being exceeded. Current law excepts from that prohibition agreements made before January 1, 1981, or the current term of any self-renewing or renewable agreement entered into before that date. This bill would make nonsubstantive changes to that provision.

Position: Placeholder - monitor

Subject: Municipal Services

CALAFCO Comments: This bill appears to be a spot bill amending GC Section 54983, relating to the authority of local agencies to enter into agreements to provide municipal services. CALAFCO has no other information regarding this bill at this time.

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[AB 1658](#) ([Bigelow R](#)) Happy Homestead Cemetery District: nonresident burial.

Current Text: Introduced: 1/13/2016 [pdf](#) [html](#)

Introduced: 1/13/2016

Status: 2/4/2016-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 authorize the Happy Homestead Cemetery District in the City of South Lake Tahoe in the County of El Dorado to use its cemeteries to inter residents of specified Nevada communities if specified conditions are met. This bill contains other related provisions.

Position: Watch

Subject: Special District Principle Acts

[AB 1707](#) ([Linder R](#)) Public records: response to request.

Current Text: Introduced: 1/25/2016 [pdf](#) [html](#)

Introduced: 1/25/2016

Status: 2/25/2016-Referred to Com. on JUD.

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

Calendar:

3/15/2016 10 a.m. - State Capitol, Room 4202 ASSEMBLY JUDICIARY, MARK STONE, Chair

Summary:

The California Public Records Act requires state and local agencies to make public records available for inspection, unless an exemption from disclosure applies. The act requires a response to a written request for public records that includes a denial of the request, in whole or in part, to be in writing. This bill instead would require that response to be in writing regardless of whether the request was in writing. The bill would require that written response additionally to include a list that contains the title or other identification of each record requested but withheld due to an exemption and the specific exemption that applies to that record.

Position: Watch

Subject: Public Records Act

CALAFCO Comments: As introduced, this bill would require LAFCos, when responding to a Public Records Request for which a determination has been made to deny the

request, to include in the written response the title (or other identification) of each record that was requested and not provided, and the specific exemption that applies to that record.

AB 2142 (Steinorth R) Local government finance.

Current Text: Introduced: 2/17/2016 [pdf](#) [html](#)

Introduced: 2/17/2016

Status: 2/18/2016-From printer. May be heard in committee March 19.

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

Summary:

Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

Position: Watch

CALAFCO Comments: As introduced, this appears to be a spot bill, although CALAFCO is still trying to confirm. The bill targets Section 96.15 of the Rev & Tax code pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

AB 2257 (Maienschein R) Local agency meetings: agenda: online posting.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be heard in committee March 20.

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

Summary:

The Ralph M. Brown Act requires the legislative body of a local agency to post, at least 72 hours before the meeting, an agenda containing a brief general description of each item of business to be transacted or discussed at a regular meeting, in a location that is freely accessible to members of the public and to provide a notice containing similar information with respect to a special meeting at least 24 hours prior to the special meeting. This bill would require an online posting of an agenda by a local agency to have a prominent direct link to the current agenda itself.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: As introduced, this bill amends GC Section 54954.2 pertaining to the online posting of a local agency's meeting agenda. The bill requires that online posting to have a prominent and direct link to the current agenda itself from the local agency's homepage. This means that LAFCOs will have to post a prominent link on their website's homepage, directly taking the user to the meeting agenda.

AB 2389 (Ridley-Thomas D) Special districts: district-based elections: reapportionment.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be heard in committee March 20.

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

Summary:

Would authorize a governing body of a special district, as defined, to require, by resolution, that the election of the members of its governing body be elected using district-based elections without being required to submit the resolution to the voters for

approval.

Position: Watch

CALAFCO Comments: As introduced, this bill allows special districts, if approved by resolution of the governing board, to conduct elections of their governing board using district-based elections, without being required to submit the resolution to the voters for approval.

AB 2414 (Garcia, Eduardo D) Desert Healthcare District.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-Read first time.

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

Summary:

Would authorize the expansion of the Desert Healthcare District to include the eastern Coachella Valley region by requiring the Board of Supervisors of the County of Riverside to submit a resolution of application to the Riverside County Local Agency Formation Commission, and, upon direction by the commission, to place approval of district expansion on the ballot at the next countywide election following the completion of the review by the commission.

Position: Watch

Subject: Disincorporation/dissolution, LAFCo Administration

AB 2435 (Mayes R) Local government organization: disincorporated cities.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-Read first time.

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

Summary:

Under that Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, upon disincorporation of a city, on and after the effective date of that disincorporation, the territory of the disincorporated city, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within that territory, are no longer subject to the jurisdiction of the disincorporated city. This bill would make a technical, nonsubstantive change to this provision.

Position: Placeholder - monitor

Subject: Disincorporation/dissolution

CALAFCO Comments: This is a spot bill. According to the author's office, they have no intention of using it to amend CKH but rather as a vehicle to amend another unrelated section of the Government Code. CALAFCO will continue to monitor.

AB 2853 (Gatto D) Public records.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-Read first time.

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

Summary:

The California Public Records Act defines the term "public record," for purposes of that act, to mean any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. This bill would express the intent of the Legislature to subsequently amend this bill to include provisions that would clarify that the term "public record," for purposes of that act, includes those writings kept on the private

cellular phone or other electronic device of an elected official, official, or employee or a public agency if those records relate to the public's business.

Position: Placeholder - monitor

Subject: Public Records Act

CALAFCO Comments: As introduced, this is a spot bill declaring the intention of the legislature to expand the definition of "public record" to include writing kept on a private cell phone or other electronic device of an elected official, official, or employee of a public agency if they relate to the business of the public agency.

SB 971 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 2/24/2016-Set for hearing March 16.

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

Calendar:

3/16/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary:

Would enact the First Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support Letter February 29, 2016](#)

Position: Support

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

SB 972 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 2/24/2016-Set for hearing March 16.

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

Calendar:

3/16/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary:

Would enact the Second Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute, but would become operative on a specified date.

Attachments:

[CALAFCO Support Letter February 29, 2016](#)

Position: Support

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

SB 973 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 2/24/2016-Set for hearing March 16.

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

Calendar:

3/16/2016 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

Summary:

Would enact the Third Validating Act of 2016, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support Letter_February 29, 2016](#)

Position: Support

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

[SB 974](#) (Committee on Governance and Finance) Local government: omnibus.

Current Text: Introduced: 2/8/2016 [pdf](#) [html](#)

Introduced: 2/8/2016

Status: 2/18/2016-Referred to Com. on GOV. & F.

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

Summary:

The Planning and Zoning Law requires that the safety element be reviewed and updated, in the case of flooding and fire hazards, upon the next revision of the housing element after specified dates or, in the case of climate adaptation and resilience strategies, upon either the next revision of a local hazard mitigation plan after a specified date or on or before January 1, 2022, as applicable. This bill would instead require a planning agency to review and revise the safety element to identify new information, as described above, only after to address flooding and fires.

Position: Watch

CALAFCO Comments: As introduced, this bill is the Senate Governance & Finance Committee's annual Omnibus bill.

[SB 1009](#) (Nielsen R) Public cemeteries: nonresidents.

Current Text: Introduced: 2/11/2016 [pdf](#) [html](#)

Introduced: 2/11/2016

Status: 2/25/2016-Referred to Com. on GOV. & F.

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

Summary:

Would authorize a district that serves at least one county with a population of fewer than 10,000 residents or that has a population not exceeding 20,000 and is contained in a nonmetropolitan area, to inter a person who is not a resident of the district in a cemetery owned by the district if specified criteria are met, including that the district requires the payment of a nonresident fee and the board of trustee determines that the cemetery has adequate space for the foreseeable future.

Position: Watch

Subject: Special District Powers

[SB 1263](#) (Wieckowski D) Public water system: permits.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Status: 2/19/2016-From printer. May be acted upon on or after March 20.

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

Summary:

Would, commencing January 1, 2017, prohibit an application for a permit for a new

public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the State Water Resources Control Board, as specified, and would allow the state board to impose technical, financial, or managerial requirements on the permit.

Position: Watch

Subject: Water

CALAFCO Comments: As introduced, this bill would prohibit an application for a permit for a new public water system from being deemed complete unless the applicant has submitted a preliminary technical report to the state board, as specified, and would allow the state board to impose technical, financial, or managerial requirements on the permit. The bill would prohibit a public water system not in existence on January 1, 1998, from being granted a permit unless the public water system demonstrates that the water supplier also possesses adequate water rights to ensure the delivery safe drinking water, and would specify that the prohibition applies to any change in ownership of the public water system, including the consolidation of a public water system. The bill would allow the state board to deny the permit if the state board determines that the service area of the public water system can be served by one or more currently permitted public water systems. Finally, the bill would prohibit a local primacy agency from issuing a permit without the concurrence of the state board.

SB 1292 (Stone R) Grand juries: reports.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

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

Summary:

Current law authorizes a grand jury to request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release. This bill would require a grand jury to request a subject person or entity to come before the grand jury as described above.

Position: Watch

Subject: Other

SB 1436 (Bates R) Local agency meetings: local agency executive compensation: discussion of final action taken.

Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)

Introduced: 2/19/2016

Status: 2/22/2016-From printer. May be acted upon on or after March 23. Read first time.

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

Summary:

Current law prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined. This bill would require the final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive to be made a separate discussion item and not placed on a consent calendar.

Position: Watch

Subject: LAFCo Administration, Other

CALAFCO Comments: As introduced, this bill requires LAFCOs, when taking final action on salary for the LAFCO's executive, to be made as a separate discussion agenda item rather than a content calendar item on the agenda.

Total Measures: 29
Total Tracking Forms: 29

3/2/2016 8:33:39 AM



SB 1266

Legislative proposal to enhance the timely documentation and facilitation of shared local public services involving counties, cities, and special districts in all 58 California counties.

PROPOSAL TO AMEND JPA ACT

CALAFCO is sponsoring Senate Bill 1266 authored by Senator Mike McGuire (Senate District 2) to amend State law to expand the filing requirements for certain stand-alone and municipal service providing joint-power authorities (JPAs) at the time of their establishment or amendment to include LAFCOs. SB 1266's key purpose is to enhance the documentation and facilitation of shared local public services to produce more accountable and efficient government while concurrently improving the public's awareness of these arrangements. SB 1266 calls for certain local JPAs to file their agreements and amendments with LAFCOs just as they currently do with the Secretary of State and in doing so provide two important and distinct public policy benefits...

- SB 1266 helps LAFCOs meet their long-standing directive from the Legislature to document, assess, and facilitate shared local public service opportunities in all 58 counties.
- SB 1266 advances LAFCOs' service to the general public as a community resource by developing more inclusive repositories on local public services, and as such responds affirmatively to an earlier recommendation made by the Legislative Analyst's Office as well as consistent with recent grand jury reports in Kern and Marin Counties.

THE PROBLEM...

Under existing State law there is no direct means for LAFCOs to be noticed and informed on the existence and activities of local serving JPAs. This lack of direct notice, notably, is an increasing challenge to LAFCOs in meeting their standing directive to plan and oversee responsive and efficient local government given JPAs' expanding role in delivering municipal services while keeping the public appropriately informed.

THE SOLUTION...

SB 1266 creates a needed communication connection under State law between certain and local JPAs and LAFCOs with the former providing notice to the latter at the time of establishment or agreement amendment to help reconcile the referenced information gap. This communicative connection would allow LAFCOs to be directly and timely informed on relevant JPA formations while also being better positioned in working with local agencies to promote new and expanded shared local services that produce more accountable and efficient government in California.

THE SCOPE...

SB 1266 recognizes not all stand-alone JPAs are directly involved in the delivery of local municipal services relative to LAFCOs' interests. The proposal is purposefully limited to those JPAs with a county, city, or special district member. SB 1266 also applies only to local municipal serving JPAs as defined under existing State law, and as such excludes administrative pooling agencies, such as risk-management, group insurance, and debt-financing.





CALAFCO LEGISLATIVE PROPOSAL

Senate Bill 1266 / Connecting LAFCOs and JPAs

Frequently Asked Questions

What Are LAFCOs? Local agency formation commissions (LAFCOs) serve as regional growth management arms of the State of California and are responsible for overseeing the establishment, expansion, and organization of cities and special districts and their municipal services in meeting current and future community needs (Government Code Section 56000 et seq.). LAFCOs operate in all 58 counties and exercise regulatory and planning powers to accomplish the State's interest to discourage urban sprawl, protect against the premature conversion of open-space and agricultural lands, and produce efficient and accountable local government. Legislation has also expanded LAFCOs focus to regularly prepare independent studies (Municipal Service Reviews) on the adequacy and performance of local governmental services with an emphasis to identify and facilitate shared service opportunities.

What Are JPAs? Joint-power authorities (JPAs) consists of two or more public agencies that either contract to jointly exercise shared powers or contract to form a separate legal entity to provide a particular service or services. Common examples of the latter type include water, wastewater, fire protection, and transit (Government Code Section 6500 et seq.). Separate JPAs are located throughout California and have appointed governing boards with the independent authority to make and enter into contracts, employ agents and employees, acquire, construct, and manage public facilities and improvements, incur debts, liabilities, or obligations, and sue or be sued. The board composition and voting rights therein varies from agency to agency and is spelled out in individual JPA agreements.

How Many JPAs Exist in California? That number is unclear. There is no known statewide, regional, or local database that indices JPAs at this time. Upon formation, separate JPAs are required to file their agreement with the Secretary of State (SOS). This is also the case when amendments are made to the agreements. However, the SOS does not publish the compiled database of JPA agreements.

What is the Problem? Under existing State law there is no direct means for LAFCOs to be noticed and informed of the existence and activities of stand-alone and separate JPAs. This lack of direct notice creates an information gap in regional service planning (among other factors) by impeding the ability of LAFCOs to meet their standing directive by the Legislature to plan and oversee responsive and efficient local government services given JPAs expanding role in delivering urban supporting public services in all 58 counties. This referenced information gap also serves to limit the general public's awareness of and participation in on JPA activities within their communities, especially the effectiveness in which their services are delivered.

What is the Proposed Solution? SB 1266 creates a formal communication connection under State law between certain legally separate and municipal serving JPAs and LAFCOs with the former providing notice to the latter at the time of establishment or amendment. Creating this communication connection would help reconcile the existing information gap between LAFCOs and JPAs. SB 1266 also advances LAFCOs' role as a community resource by developing more inclusive repositories on local public services available to the general public, and as such affirmatively responds to earlier and separate recommendations made by the Legislative Analyst's Office (reference their October 2011 report) as well as grand jury reports in Kern and Marin Counties.

Are the Reports Filed with the Secretary of State Accessible to the Public and Other Government Agencies? As public documents they are accessible by request. However, the impediments are the documents are not posted on the SOS's website, therefore you must either call or file a written request for the document and you must know the name of the JPA. In those instances in which the LAFCO is not aware that the JPA exists, there is no way for them to request the information.

Does the Bill Create New Authority for LAFCOs? No. SB 1266 is specifically limited to expanding a noticing requirement for certain legally separate JPAs to file their agreements and amendments with the local LAFCO(s) just as they are currently required to do with the SOS. The formation, organization, and related decision-making for JPAs would be unaffected by the proposed legislation.

Are all JPAs Affected by the Bill? No. SB 1266 is purposefully limited to those legally separate JPAs with a county, city, or special district member. SB 1266 is also limited to local municipal serving JPAs as defined under existing State law (Government Code Section 56047.7), and as such excludes certain types of administrative pooling functions, such as risk-management, group insurance, and debt-financing.

Can the Filings be Submitted Electronically to the SOS or to the Affected LAFCO? Current JPA law does not prescribe how the agreements and amendments are to be filed with the SOS. LAFCO will gladly accept electronic files from the JPA, which is why the method of delivery in the proposed legislation is not prescribed.

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
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Lou Ann Texeira
Executive Officer

MEMBERS

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Stanley Caldwell <i>Special District Member</i>

March 9, 2016

Senator Mark McGuire
 California State Senate
 State Capitol, Room 5064
 Sacramento, CA 95814

RE: SB 1266 (McGuire) – Joint Exercise of Powers: Agreement Filings -- SUPPORT

Dear Senator McGuire:

The Contra Costa Local Agency Formation Commission (LAFCo) is pleased to support Senate Bill 1266. This bill would require certain stand-alone, municipal service providing joint-power authorities (JPAs) to provide a copy of their agreement to the LAFCo at the time of its establishment or amendment.

Under existing law, there is no means for LAFCos to be informed of the existence and activities of local municipal service providing JPAs, which creates an increasing challenge for LAFCos in meeting their directive to plan and oversee the responsive, efficient and effective delivery local government services. This is especially true given the expanding role of JPAs in delivering municipal services. SB 1266 closes this gap.

This direct communication connection between the JPA and LAFCo allows the LAFCo to be a stronger public resource and inclusive information repository on local public services. Further, it allows the LAFCo the information needed to ensure more comprehensive reporting to the public on the effective and efficient delivery of municipal services.

SB 1266 is not intended to create a direct authority of LAFCo over JPAs; the formation, organization, and related decision-making for JPAs are unaffected by this legislation. We understand that as the sponsor of SB 1266, the California Association of Local Agency Formation Commissions (CALAFCO) has met and will continue to meet with stakeholders in an effort to receive feedback and work through any remaining points of concern and pending amendments.

Because SB 1266 provides the critical direct communication link between the LAFCo and municipal service providing JPAs, the Contra Costa LAFCo supports this bill. We thank you for authoring this important legislation.

Sincerely,

Mary N. Piepho, Chair
Contra Costa LAFCO

cc: Members, Senate Governance & Finance Committee
Brian Weinberger, Consultant, Senate Governance & Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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

e-mail: LouAnn.Texeira@lafco.cccounty.us

(925) 335-1094 • (925) 335-1031 FAX



Lou Ann Texeira
Executive Officer

MEMBERS

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Mary N. Piepho
County Member

Rob Schroder
City Member

Igor Skaredoff
Special District Member

Don Tatzin
City Member

ALTERNATE MEMBERS

Candace Andersen
County Member

Sharon Burke
Public Member

Tom Butt
City Member

Stanley Caldwell
Special District Member

March 9, 2016

Senator Richard Roth
California State Senate
State Capital Room 4034
Sacramento, CA 95814

Subject: Support of SB 817 as Amended

Dear Senator Roth:

The Local Agency Formation Commission (LAFCo) of Contra Costa is pleased to support your bill SB 817, as amended February 22, 2016. The bill reinstates allocations to recently incorporated cities consistent with the allocation formula those communities relied upon when making the decision to incorporate the affected territory.

It is unfortunate that SB 25 (2015) and SB 69 (2014), both of which were unanimously passed by the Legislature, were ultimately vetoed by the Governor.

The Contra Costa LAFCo and the California Association of Local Agency Formation Commissions (CALAFCO) Board believe the VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities that chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. SB 89 also created severe penalties for those communities which had recently voted to incorporate themselves. While SB 817 does not eliminate these disincentives and penalties for future incorporations, it makes whole the cities incorporated since 2004, and avoids the likely disincorporation or bankruptcies of these cities.

Reinstating revenues for incorporations is consistent with the CALAFCO legislative policy of providing communities with local governance and efficient service delivery options, including the ability to incorporate. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl.

Because SB 817 reinstates a critical funding component to cities incorporated between January 1, 2004 and January 1, 2012, Contra Costa LAFCo supports this bill.

Thank you for continuing to carry this important legislation.

Sincerely,

Mary N. Piepho, Chair
Contra Costa LAFCO

Cc: Members, Senate Governance & Finance Committee
Brian Weinberger, Consultant, Senate Local Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus

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Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

March 9, 2016

The Honorable Robert Hertzberg, Chair
Senate Governance and Finance Committee
State Capitol, Room 4038
Sacramento, California 95814

SUPPORT FOR SB 971, SB 972, and SB 973

Dear Senator Hertzberg:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to support Senate Bill 971, Senate Bill 972 and Senate Bill 973, the annual Validating Acts of 2016.

We appreciate how important these measures are for the operation of local governments. Enactment of the Validating Acts helps all public agencies because they protect investors from minor errors that might otherwise threaten our bonds, boundary changes, and other official acts. For LAFCOs, these acts validate the boundaries of local agencies, which the commissions are responsible to administrate. As in past years, the passage of the Validating Acts of 2016 will ensure that our bonds receive the highest possible ratings, resulting in the lowest possible borrowing costs for our constituents.

We also appreciate the fact that all of the members of the Senate Governance and Finance Committee joined you in authoring these three important bills.

Sincerely,

Mary N. Piepho, Chair
Contra Costa LAFCO

cc: Members, Senate Governance and Finance Committee
Brian Weinberger, Senate Governance and Finance Committee Consultant
Ryan Eisberg, Consultant, Senate Republican Caucus



Lou Ann Teixeira
 Executive Officer

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Special District Member

March 9, 2016 (Agenda)

March 9, 2016
 Agenda Item 13

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

LAFCO Agricultural & Open Space Preservation Policy

Dear Commissioners:

This is a report from LAFCO’s Policies & Procedures Committee (“Committee”) relating to the Commission’s ongoing discussion regarding a LAFCO Agricultural & Open Space Preservation Policy (AOSPP). The LAFCO Executive Officer has worked closely with the Committee on the issues discussed below and concurs with the Committee’s recommendations.

BACKGROUND/DISCUSSION

Development of a LAFCO AOSPP was identified years ago as part of the Commission’s ongoing efforts to update its Policies & Procedures. The discussion was elevated in March 2015, at which time the Committee presented a report to the Commission that included a summary of relevant LAFCO statutes and a collection of LAFCO policies and procedures representing 18 different LAFCOs from around the State.

In July 2015, LAFCO hosted an Agricultural & Open Space Preservation Workshop to engage stakeholders and begin a conversation as to whether or not LAFCO should develop a local AOSPP; and if so, what the Contra Costa LAFCO policy should address.

The conversation continued throughout the summer and fall. The Committee and County GIS presented series of maps depicting prime agricultural soil, important farmland, land covered under Williamson Act land contracts, parks and protected open space areas, areas with and without urban services, urban growth boundaries, and related features. The maps were intended to show important agricultural and open space areas that could potentially be at risk.

Subsequently, the Commission directed the Committee to reach out to various local agency groups to gauge their level of interest in a LAFCO AOSPP. In October and November, the Committee reported on its meetings with these groups, including the Contra Costa Transportation Authority (CCTA), Contra Costa Public Managers Association (PMA), County/City Planning Directors (CCPD), and the Contra Costa Special Districts (CCSDA). Through these meetings, we learned that the groups are generally interested in a LAFCO AOSPP and wish to be kept apprised of LAFCO’s progress.

Throughout the process, LAFCO has received input from agriculture, building, environmental, farming, local government and other interest groups, along with members of the general public.

In November, the Commission directed the Committee to draft guidelines relating to agriculture and open space preservation that focus on the LAFCO application requirements and procedures.

In January 2016, the Committee presented proposed revisions to the Questionnaire for Amending a Sphere of Influence (SOI), Questionnaire for Annexations, Detachments and Reorganizations, and Procedures for Processing Boundary Changes. The Commission agreed with the proposed revisions, and directed the Committee to draft an AOSPP and discuss the draft policy with the various local agency groups (i.e., CCTA, PMA, CCPD, CCSDA). Meetings with these groups are scheduled in March and April.

DRAFT AGRICULTURAL AND OPEN SPACE PRESERVATION POLICY

At this time, the Committee is pleased to present to the Commission the draft LAFCO Agricultural & Open Space Preservation Policy (attached). Based on the Commission's prior direction, the draft policy complements the recent updates to the LAFCO questionnaires and procedures, which now include an agricultural and open space impact analysis.

The purpose of the policy is twofold: 1) to provide guidance to the applicant on how to assess the impacts of LAFCO proposals on agricultural and open space and to explain how the proposal intends to mitigate those impacts; and 2) to provide a framework for LAFCO to evaluate and process, in a consistent manner, LAFCO proposals that involve or impact agricultural and/or open space lands.

The draft policy discusses LAFCO's authority, and provides definitions, goals, policies and guidelines.

As directed by the Commission, the Committee will share the draft policy with the local agency groups. At this time, it would be useful to receive the Commission's initial input.

RECOMMENDATIONS:

Receive report and provide input on the draft policy.

Respectfully submitted,

Sharon Burke and Don Tatzin

c: Distribution

Attached - Draft LAFCO Agricultural & Open Space Preservation Policy

4.1 DRAFT PRESERVATION OF OPEN SPACE AND AGRICULTURAL LAND

INTRODUCTION

In accordance with the Cortese Knox Hertzberg Local Government Reorganization Act (“CKH Act”), the State Legislature finds and declares that the preservation of open space and agricultural lands is a “state interest” to be balanced with orderly growth and development (§56001).

Among the purposes of LAFCO are discouraging urban sprawl and preserving open space and agricultural lands (§56300). The CKH Act includes provisions that grant LAFCO the authority to consider and provide for the preservation of open space and agricultural lands.

LAFCO is specifically charged in some instances with protecting open space and agricultural land. For example, an island annexation may not be approved if the island consists of prime agricultural land [§56375.3(b)(5)]. LAFCO may not approve a change to an SOI where the affected territory is subject to a Williamson Act contract farmland or farmland security zone unless certain conditions exist (§§56426 and 56426.5).

Contra Costa LAFCO encourages planned, orderly, and efficient urban development while at the same time giving appropriate consideration to the preservation of open space and agricultural land (§56300).

When making a decision, LAFCO must consider whether a proposal could reasonably be expected to induce, facilitate, or lead to the conversion of existing open space and agricultural lands to other uses. Further, LAFCO should guide development away from existing open space and agricultural land, and encourage development of existing vacant and non-prime agricultural lands within a local agency’s existing jurisdiction or SOI [§§56377(a) and 56668(d)]. Finally, LAFCO must consider the effect of a proposal on maintaining the physical and economic integrity of agricultural lands [§56668 (e)].

An application or proposal for a change of organization, reorganization, the establishment of or change to a sphere of influence (SOI), the extension of extraterritorial services, and other LAFCO actions as contained in the CKH Act will be evaluated in accordance with LAFCO’s adopted policy on the Preservation of Open Space and Agricultural Land.

AUTHORITY OF LAFCO

LAFCO regulates boundary change and other proposals (e.g., SOI changes, extension of extraterritorial services, etc.) through approval or denial. The Commission also has the authority to impose terms and conditions (§§56885 -56890).

While LAFCO has considerable authority to provide for the preservation of open space and agricultural land, and impose terms and conditions, it may not directly regulate land use: “*A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements*” [§§56375(6), 56886].

PURPOSE OF THE POLICY

The purpose of this policy is twofold: 1) to provide guidance to the applicant on how to assess the impacts of LAFCO proposals on agricultural and open space and to explain how the proposal intends to mitigate those impacts; and 2) to provide a framework for LAFCO to evaluate and process in a consistent manner, LAFCO proposals that involve or impact agricultural and/or open space lands.

DEFINITIONS

Several terms are important in understanding LAFCO's responsibility to preserve agricultural and open space resources. These terms and definitions are found below and are applicable throughout these policies. The CKH Act contains the following definitions for agricultural land, prime agricultural land and open space:

56016. "Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

56059. "Open space" means any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in Section 65560.

65560. (a) "Local open-space plan" is the open-space element of a county or city general plan adopted by the board or council, either as the local open-space plan or as the interim local open-space plan adopted pursuant to Section 65563.

(b) "Open-space land" is any parcel or area of land or water that is essentially unimproved and devoted to an open-space use as defined in this section, and that is designated on a local, regional, or state open-space plan as any of the following:

(1) Open space for the preservation of natural resources including, but not limited to, areas required for the preservation of plant and animal life, including habitat for fish and wildlife species; areas required for ecologic and other scientific study purposes; rivers, streams, bays, and estuaries; and coastal beaches, lakeshores, banks of rivers and streams, greenways, as defined in Section 816.52 of the Civil Code, and watershed lands.

(2) Open space used for the managed production of resources, including, but not limited to, forest lands, rangeland, agricultural lands, and areas of economic importance for the production of food or fiber; areas required for recharge of groundwater basins; bays, estuaries, marshes, rivers, and streams that are important for the management of commercial fisheries; and areas containing major mineral deposits, including those in short supply.

(3) Open space for outdoor recreation, including, but not limited to, areas of outstanding scenic, historic, and cultural value; areas particularly suited for park and recreation purposes, including access to lakeshores, beaches, and rivers and streams; and areas that serve as links between major recreation and open-space reservations, including utility easements, banks of rivers and streams, trails, greenways, and scenic highway corridors.

(4) Open space for public health and safety, including, but not limited to, areas that require special management or regulation because of hazardous or special conditions such as earthquake fault zones, unstable soil areas, flood plains, watersheds, areas presenting high fire risks, areas required for the protection of water quality and water reservoirs, and areas required for the protection and enhancement of air quality.

(5) Open space in support of the mission of military installations that comprises areas adjacent to military installations, military training routes, and underlying restricted airspace that can provide additional buffer zones to military activities and complement the resource values of the military lands.

(6) Open space for the protection of places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code.

LAFCO's overriding objectives are to encourage the orderly formation of local government agencies, discourage urban sprawl, and preserve agricultural and open space resources. LAFCO must consider the effects that a proposal will have on agricultural and open space lands. By guiding development toward vacant urban land and away from agricultural and open space land, LAFCO promotes the protection of our valuable agricultural and open space lands. In furtherance of this objective, the CKH Act describes the intent of the legislation with regard to agricultural resources in §56377, which states:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open space lands to uses other than open space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open space uses shall be guided away from existing prime agricultural lands in open space use toward areas containing non-prime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or non-prime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the SOI of a local agency should be encouraged before any proposal is approved that would allow for or lead to the development of existing open space lands for non-open space uses that are outside of the existing jurisdiction of the local agency or outside of the existing SOI of the local agency.

GOALS, POLICIES AND GUIDELINES

The following Goals, Policies, and Guidelines are consistent with the legislative direction provided in the CKH Act. The Goals are intended to be the outcome LAFCO wants to achieve. The Policies provide direction with regard to how those Goals should be achieved by providing specific guidance for decision makers and proponents. Guidelines give stakeholders procedures and practical tips regarding what information LAFCO decision makers need to evaluate a proposal that affects agricultural resources.

GOALS

Agriculture is a vital and essential part of the Contra Costa County economy and environment. Accordingly, boundary changes for urban development should be proposed, evaluated, and approved in a manner that is consistent with the continuing growth and vitality of agriculture within the county. The following goals will help guide LAFCO's decisions regarding agricultural and open space resources.

Goal 1. Minimize the conversion of prime agricultural land to other land uses.

Goal 2. Encourage cities, the county, special districts, property owners and other stakeholders to work together to preserve agricultural lands.

Goal 3. Promote agricultural land preservation into long range planning consistent with principles of smart growth at the state, county, and municipal levels.

Goal 4. Preserve agricultural lands for continued agriculture uses while balancing the need to ensure orderly development and the efficient provision of services.

Goal 5. Strengthen and support the agricultural sector of the economy.

Goal 6. Fully consider the impacts a proposal will have on existing agricultural lands.

Goal 7. Protect the natural resources and surrounding areas that sustain agriculture in Contra Costa County.

POLICIES

It is the policy of Contra Costa LAFCO that, consistent with the CKH Act, an application or proposal for a change in organization, reorganization, for the establishment of or change to an SOI, the extension of extraterritorial services, and other LAFCO actions as contained in the CKH Act (“proposals”), shall provide for planned, well-ordered, efficient urban development patterns with appropriate consideration to preserving open space and agricultural lands within those patterns. The following policies support the goals stated above and shall be used by Contra Costa LAFCO when considering a proposal that involves agricultural and/or open space resources:

Policy 1. Vacant land within urban areas should be developed before agricultural land is annexed for non-agricultural purposes.

Policy 2. Land substantially surrounded by existing jurisdictional boundaries should be annexed before other lands.

Policy 3. In general, urban development should be discouraged in agricultural areas. For example, agricultural land should not be annexed for non-agricultural purposes when feasible alternatives exist. Large lot rural development that places pressure on a jurisdiction to provide services and causes agricultural areas to be infeasible for farming is discouraged.

Policy 4. The continued productivity and sustainability of agricultural land surrounding existing communities should be promoted by preventing the premature conversion of agricultural land to other uses and, to the extent feasible, minimizing conflicts between agricultural and other land uses. Buffers should be established to promote this policy.

Policy 5. Development near agricultural land should not adversely affect the sustainability of or constrain agricultural operations.

Policy 6. Where feasible, and consistent with LAFCO policies, non-prime farmland should be annexed before prime farmland.

Policy 7. The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.

Policy 8. The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan and SOI areas and that encourage protection of prime agricultural land in a manner that is consistent with this policy.

Policy 9. Property owners of agricultural lands adjacent to land that is the subject of a LAFCO proposal shall be notified when an application is submitted to LAFCO.

GUIDELINES

These Guidelines are intended to provide further direction regarding the application of LAFCO's Goals and Policies; to advise and assist the public, agencies, property owners, farmers and other stakeholders with regard to LAFCO's expectations in reviewing a proposal that involves agricultural resources; and to provide sample mitigation measures to address impacts to agricultural land.

Guideline 1. Applications submitted to LAFCO involving agricultural and/or open space resources shall include an Agricultural and Open Space Impact Assessment. At a minimum the following should be addressed:

- a. A proposal must discuss how it balances the State's interest in preserving open space and agricultural lands against the need for orderly development (§56001).
- b. A proposal must discuss its effect on maintaining the physical and economic integrity of agricultural lands [§56668 (e)].
- c. A proposal must discuss whether it could reasonably be expected to induce, facilitate, or lead to the conversion of existing open space land to uses other than open space uses (§56377).
- d. A proposal must describe how it guides development away from agricultural and/or open space lands.
- e. A proposal must describe how it facilitates development of existing vacant or non-agricultural and/or non-open space lands for urban uses within the existing boundary or SOI of a local agency.
- f. A proposal must discuss what measures it contains that will protect the physical and economic integrity of adjacent agricultural and/or open space land uses.

Guideline 2. The California Environmental Quality Act (CEQA) analysis for a proposal should evaluate the impacts affecting agricultural and open space resources, and should include an assessment of impacts to agricultural, prime agricultural, and open space lands as defined in the CKH Act. In the absence of an evaluation in the CEQA document, a supplemental agriculture and impact analysis will be required as part of the LAFCO application.

Guideline 3. If a proposal involves a loss of prime agricultural lands, property owners, cities, the County, special districts, and other agricultural conservation agencies should work together as early in the process as possible to adequately mitigate the impacts.

Guideline 4. The following factors should be considered for an annexation of prime agricultural and/or open space lands:

- a. The applicant should provide a land use inventory of the jurisdiction that indicates the amount of available land within the subject jurisdiction for the proposed land use.
- b. The applicant should provide an evaluation of the effectiveness of proposed measures to mitigate the loss of agricultural lands, and to preserve adjoining lands for agricultural use to prevent their premature conversion to other uses. Examples of such measures include, but are not be limited to:
 - 1. acquisition and dedication of farmland (e.g., substitution ratio of at least 1:1 for the prime land annexed), development rights, open space and agricultural conservation easements to permanently protect adjacent and other agricultural lands within the county
 - 2. participation in other development programs that direct development towards urban areas in the county (such as transfer or purchase of development credits)
 - 3. payment to responsible, recognized government and/or non-profit organization in Contra Costa County for the purpose of preserving agricultural lands; payment should be sufficient to fully fund the acquisition and dedication
 - 4. establishment of buffers to protect adjacent agricultural operations from the effects of development
 - 5. other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a minimum 1:1 ratio

Guideline 5. Detachment of prime agricultural lands and other open space lands should be encouraged if consistent with the SOI for that agency.

Guideline 6. Annexation for land uses in conflict with an existing agricultural preserve contract shall be prohibited, unless the Commission finds that it meets all the following criteria:

- a. The area is within the annexing agency's SOI.
- b. The Commission makes findings required by Gov. Code Section 56856.5.
- c. The parcel is included in an approved city specific plan.
- d. The soil is not categorized as prime agricultural land.
- e. Mitigation for the loss of agricultural land has been secured in the form of agricultural easements to the satisfaction of the annexing agency and the County.
- f. There is a pending, or approved, cancelation for the property that has been reviewed by the local jurisdictions and the Department of Conservation.
- g. The Williamson Act contract on the property has been non-renewed and final approval of the non-renewal has been granted.



March 9, 2016
Agenda Item 14

AGENDA

RETIREMENT BOARD MEETING

SPECIAL BOARD MEETING
February 25, 2016
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.
3. Approve minutes from the December 16, 2015 Board meeting.

CLOSED SESSION

4. The Board will continue in closed session pursuant to Govt. Code Section 54956.81 to consider the sale of a particular pension fund investment.

OPEN SESSION

5. Presentation from Cortex and Verus on governance issues.
6. Consider and take possible action to adopt governance models from Cortex and Verus presentation regarding:
 - a. Strategic Rebalancing
 - b. Tactical Rebalancing
 - c. Opportunistic Investments
 - d. Investment Manager Structure
 - e. Investment Manager Hiring
 - f. Investment Manager Termination
7. Consider and take possible action to authorize a search to identify prospective liquidity mandate managers.
8. Review of total portfolio performance for period ending December 31, 2015.
9. Consider and take possible action to add or remove managers from the Watch List.
10. Consider authorizing the attendance of Board and/or staff:
 - a. ARES EIF 27th Annual Meeting and Energy Industry Conference, May 9-11, 2016, San Diego, CA. (Note: Conflict with SACRS)

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.

- b. NCPERS 2016 Annual Conference & Exhibition, May 14-19, 2016, San Diego, CA.
- c. PRJ 28th Annual Southern California Public Retirement Seminar, March 24th, 2016, Lakewood, CA.
- d. Siguler Guff & Company's 2016 Annual Conference, May 4-5, 2016, New York, NY. (Note: Conflict with meeting)
- e. 2016 CRCEA Spring Conference, April 11-13, 2016, Bakersfield, CA. (Note: Conflict with meeting)

11. 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 – MARCH 9, 2016**

March 9, 2016
Agenda Item 16b

LAFCO APPLICATION	RECEIVED	STATUS
Town of 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)	July 2010	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	July 2010	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	Feb 2013	Continued from 11/12/14 meeting
Northeast Antioch Reorganization Area 2A: proposed annexations to City of Antioch and Delta Diablo; and corresponding detachments from County Service Areas L-100 and P-6	July 2013	Continued from 6/10/15 meeting to 6/8/16
Reorganization 186 (Magee Ranch/SummerHill): proposed annexations to Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) of 402± acres; 9 parcels total to CCCSD (8 parcels) and EBMUD (7 parcels)	June 2014	Removed from the Commission's calendar pending further notice
Carr Annexation to EBMUD: proposed annexation of one parcel (5.9± acres) to EBMUD located at 80 Carr Ranch Road in unincorporated Moraga	Jan 2016	Under review
Detachment from Byron Bethany Irrigation District – proposed detachment of 480± acres in two separate areas located in Discovery Bay	Feb 2016	Under review
City of Concord – request to provide out of agency sewer service (4981 Concord Blvd)	Feb 2016	Under review

Bay Point: Local activists have help decrying pool problems

By [Sam Richards](#)

srichards@bayareanewsgroup.com

Posted: **02/10/2016** 10:57:35 AM PST Updated: about 18 hours ago

BAY POINT -- Local critics of flagging plans for renovation of the Ambrose Park community swimming pool are getting some help from a Richmond-based advocacy group.

The local group West Pittsburg for Progress has been a local affiliate of the Alliance of Californians for Community Empowerment, a nonprofit community organization helping residents of low- to moderate-income neighborhoods fight for economic, racial and social justice. It has six offices statewide; the nearest are in Richmond and Oakland.

Members of West Pittsburg for Progress plan on making their displeasure with the pool project known Thursday night at the February Ambrose Recreation and Park District meeting. Jovana Fajardo, a community organizer with ACCE, said she will be there with them. It's important, she said, because the Bay Point community has relatively few amenities for kids and teens.

"We understand we're not going to get an Olympic-size swimming pool like you'd see in Blackhawk, but we want to see some progress," said Fajardo, who grew up in Bay Point.

The refurbishing project for the Ambrose pool, which closed in 2009, has been seven years in the planning, a process that has included repeated money shortages and three project redesigns. The most recent opening date the district had given was July 2016.

At the park district's January meeting, it was announced that the lowest among the latest round of bids for the project was \$682,000 more expensive than planned -- about 25 percent higher than the estimated cost of to rebuild the pool and replace the restrooms and associated outbuildings at the pool in Ambrose Park. The rebid process, when it is approved, will push the opening date back at least several months, if that \$682,000 can be obtained somehow.

Thursday's Ambrose Recreation and Park District board meeting begins at 6 p.m. at the Ambrose Community Center, 3105 Willow Pass Road in Bay Point.

LAFCO: No on SE Quad

Posted: Wednesday, February 17, 2016 6:57 pm

Morgan Hill officials will have to overcome a ream of criticism in order to convince a county commission to approve the city's Southeast Quadrant agricultural preservation and sports-recreation-leisure land use program.

The staff of the Santa Clara County Local Agency Formation Commission issued a report Feb. 15 recommending its seven-member commission deny the city's proposal to extend its Urban Service Area around about 229 acres of mostly rural farmland on the east side of U.S. 101. The commission will consider the project, as well as a second boundary extension request from the city on the southwest side of town, at the March 11 meeting in San Jose.

The recommendation and nearly 500 pages of accompanying documents echoes LAFCO staff's previous correspondence with City Hall on the SEQ proposal over the last six-plus years. The LAFCO staff report says the city's boundary extension plan would result in the loss of 229 acres of prime agricultural land, "a rapidly diminishing resource in the county," and existing city limits contain ample vacant land for the type of development proposed in the SEQ.

Proponents of the SEQ plan said after scanning LAFCO's voluminous recommendation Tuesday, the report contains numerous errors. For example, developer Gordon Jacoby said the report identifies a "dead orchard" at the corner of Barrett and Murphy avenues as prime agriculture. And it states there is no drinking water going to the 22-acre farm site located at the interchange of U.S. 101 and Tennant Avenue—purchased by the city in 2014 for the future development of sports fields—which is not true, Jacoby said.

"This alarmist attitude one might have is based on a lack of familiarity with the area," Jacoby speculated.

But more importantly, SEQ proponents note that the LAFCO report ignores two key roadblocks to ag preservation under current conditions: that agriculture is "dying" in the SEQ due to high land values and other rising costs; and the "irreversible" sprouting of mini-mansions on large lots in the



SEQ

Pictured is one of five homes under construction on Trail Drive, butting up against active farmland in the city's Southeast Quadrant.

SEQ that are slowly eliminating existing agriculture already.

“They’re ignoring the fact that if we do nothing, the status quo isn’t going to preserve agriculture,” said real estate broker John Telfer, who represents property owners in the SEQ project area.

Indeed, on Trail Drive, which sits just outside the eastern boundary of the city’s proposed boundary extension, under construction are five estate homes butting up against active farmland with thriving crops.

“That took 20 to 30 acres out of ag, but there’s no mitigation behind it,” City Manager Steve Rymer added. The city’s SEQ plan would stop this residential takeover of farmland almost as soon as LAFCO approves it, he said.

But the scathing LAFCO report insinuates the city’s promise of ag preservation is a disingenuous gambit, and this broader plan “suggests an entirely different long-term vision—less agricultural and more like the beginnings of a new city neighborhood,” the staff report states.

“Thus the proposal in many ways is a classic example of the type of urban sprawl, and unnecessary/premature conversion of prime agricultural lands that was prevalent in the county during the 1950s and 1960s,” reads the LAFCO report. “Such projects and concerns were the impetus for the State Legislature’s creation of LAFCO in 1963 and for the local adoption and use of city USA boundaries as a key planning and growth management tool since 1972.”

Supporters say funding is there

The city submitted the SEQ application to LAFCO in October 2015, shortly after the city council voted 4-1 to do so. Mayor Pro Tem Rich Constantine voted against the application, stating he thinks it doesn’t do enough to preserve agriculture.

The only definite projects proposed in the SEQ USA extension area are a Catholic High School on a 40-acre property near the intersection of Murphy and Tennant avenues, and the city’s baseball/softball fields effort on Jacoby’s former property. Other “speculative” uses include 40,000 square feet of sports oriented retails, 3,000 square feet of sports-themed restaurant space, 20,000 square feet of medical offices for sports injuries, up to 120 acres of sports fields, 100,000 square feet of indoor sports facility, two 120-room hotels, a gas station and about 100,000 square feet of other retail.

The Morgan Hill Unified School District recently approached the Puliafico family to purchase their 39-acre property in the SEQ for a future high school or middle school site, according to the LAFCO report.

Telfer, who represents the Puliaficos, said the family told MHUSD they are not interested because they believe in the city’s sports and recreation development plan for the quadrant.

Of the 21 parcels comprising the 229-acre extension area, which sits entirely in unincorporated

county jurisdiction, 12 are zoned for agriculture (which allows single residences on 8- to 10-acre lots), seven are uncultivated and two are strictly residential. Under the city's proposal, three of the parcels—those at the future site of the Catholic high school—would be rezoned for “public facilities.” The rest would be zoned “Sports-Recreation-Leisure” to allow for the variety of proposed sports and supporting commercial uses.

The city's SEQ proposal is part of a larger, more complex program known as the Citywide Agricultural Lands Preservation program, which would employ developer fees and other funding to preserve any farmland plowed up for sports fields or commercial uses. This plan includes a proposed “transfer of development rights” (TDR) program that would allow one (so far) SEQ property owner—the Chiala family—to cluster 160 homes on a portion of their property while permanently preserving existing farmland. This property is located just east of the proposed USA boundary extension, which would end just west of the intersection of Tennant Avenue and Hill Road.

The LAFCO report continues to state that the city has “minimal existing urban infrastructure” to support development in the SEQ project, and “has not adequately demonstrated the ability to provide and fund the necessary services to the new area.”

Plus, fiscal projections of tax revenue from the proposed land uses in the SEQ are based on commercial concepts that are “only speculative,” and major components of the plan do not conform with the city's or county's General Plans.

City Manager Steve Rymer takes exception to LAFCO's suggestion that the city is not fiscally responsible enough to administer services to the SEQ area. He added that he thinks of the stated goals of the city and its opponents in the SEQ are all the same; they just have different visions of how to go about preserving ag and preventing sprawl.

“We believe we have a plan that is responsible, funded and sustainable into the future,” Rymer said.

The city's ag mitigation plan aims to preserve an acre of farmland for every acre plowed up for sports, school or commercial development in the SEQ. The city anticipates a cost of about \$50,000 per acre to establish an easement on agricultural property, prohibiting any future uses other than farming. Developers would pay \$15,000 per acre, with the city supplementing the remaining \$35,000 from its Open Space Fund, Rymer explained. That fund currently holds about \$6 million, and is expected to grow by at least another \$5 million over the next five years. That leaves enough funds to preserve about 250 acres of agriculture in the SEQ, the program's preferred target for preservation.

The fair market value of land in the SEQ surpasses \$200,000 per acre in some areas. The city purchased Jacoby's 22-acre property for about \$238,000 per acre.

The TDR program in the works would provide a third crucial funding mechanism to preserve ag land farther east in the SEQ, according to proponents.

Steady opposition

Included in the Feb. 15 LAFCO report are 26 letters from local organizations and residents, offering input and opinions on the SEQ proposal. Most of these were opposed to the plan, and some were asking for more time to process the city's request.

A lengthy letter from the county's Open Space Authority notes that Santa Clara County has lost half its farmland to urban development in the last 30 years. About 27,000 acres of ag remain, mostly in South County and Coyote Valley.

"In the OSA's Santa Clara Valley Greenprint, the SEQ is identified as one of 10 important land areas to be conserved through coordinated planning, partnerships and strategic conservation investment," reads part of the letter from OSA General Manager Andrea Mackenzie.

The letter goes on to list numerous shortfalls of the SEQ plan, including the city's failure to demonstrate why developing the farmland is crucial, inconsistencies between the city's plan and regional preservation efforts and potential financial roadblocks to the city's ag preservation strategy.

The LAFCO report offers the commission options to approve a portion or all of the city's SEQ proposal. But such an approval would require a "statement of overriding considerations" because the 2014 Environmental Impact Report for the project, which was commissioned by the city, lists impacts to "air quality/greenhouse gases, noise and transportation" that cannot be mitigated below a "significant" level. Therefore, if the commission approves a portion of the project under this EIR, it would declare that the educational and/or economic benefits of the SEQ proposal outweigh any potential environmental damage.

Contra Costa Times

Martinez: Budget, park renovations focus of State of the City

By Dana Guzzetti
[Correspondent](#)

Posted: 02/17/2016 10:45:46 AM PST Updated: 14 min. ago

MARTINEZ -- Mayor Rob Schroder focused on the positives: a balanced budget with a \$5.3 million reserve and Measure H renovations at Susana Street, Mountain View and Hidden Lakes parks during his State of the City address.

The mayor also outlined plans for street improvements and capital projects "coming in the next year," including Alhambra Creek Bridge at Berrellesa Street, upper pedestrian bridge and entrance road (both to north intermodal parking lot), and \$2.1 million committed to street and road repair projects.

Schroder said gas tax revenues for future road maintenance are shrinking because of a lower rate of fossil fuel consumption, the falling price of oil and a recent state practice of using gas tax funds to pay down state transportation debt.

At the Feb. 9 presentation, he said the city will have to find other ways to help pay for the "backlog" of street and road maintenance work. Federal and state grants, a sales tax or use of reserves are among solutions the mayor mentioned.

Work on the Martinez General Plan began seven years ago. Following public comment on the draft general plan and environmental impact report last fall, the city staff began reviewing it for possible revisions, according to Schroder.

The revised plan will go to the Planning Commission, back to the council, then be up for public comment, before returning to the Planning Commission and final approval by the council.

Schroder did not say what has taken so long, but talked about his role as a LAFCO (Local Agency Formation Commission) member, and definitions of open space and urban sprawl.

"These questions have not been definitively answered, but one thing has been made very clear in our deliberations: just because a piece of property is vacant does not mean that it should be designated as open space and never developed."

There was no mention of the controversial proposed development at former Pine Meadow Golf Course, where property zoned as recreational/open space was changed to allow a housing development.

Schroder also reported that "much progress" has been made in the earthquake retrofit of downtown buildings, and that Martinez is one of 22 cities competing in the "Cool California Challenge," a contest to encourage energy and water conservation.

Schroder talked about other challenges.

"The waterfront and marina continues to be our biggest challenge," he said. "Year after year I have been reporting on our plans for reconstruction and negotiations with the state of California."

The mayor said it would take \$6 million to rebuild sea walls, the entrance and docks. The city is already \$4.2 million in debt to the state for past marina loans, and does not produce enough income from the area to start making payments when they come due in the next few years.

After the address he explained progress has been slow partly because the council has been busy with other priorities. It is presently considering the amended general plan that, if approved Feb. 17, could result in construction at Waterfront Park by fall with completion by fall 2017. (The remaining \$1.3 million of Measure WW funding is committed to that project.)

However, that plan does not include marina improvements still in the planning stages. "I feel frustrated with the marina," Schroder said. "It has been one problem after another ... Other agencies have to approve what goes there. It's complicated."

In the interim, citizen proposals for improvements such as a privately funded restaurant, dog park or other uses have been stalled.

Consensus at community workshops resulted in the gravel parking lot behind the Sea Scout Albatross building as an ideal site for a privately funded dog park.

Schroder explained that it would be premature to allow it, or other uses, such as a restaurant until a master plan is completed because those improvements might conflict with future other potential uses. There are talks with the California Maritime Academy for a possible presence at the marina, he said.

Contact Dana Guzzetti at dguzzetti10@gmail.com or call 925-202-9292.

Contra Costa Times

Kensington police director: Chief knew officers were watching her car before controversial traffic stop

By [Thomas Peele](#)

tpeele@bayareanewsgroup.com

Posted: **02/20/2016** 07:43:49 PM PST Updated: about 21 hours ago

KENSINGTON -- Two weeks before two police officers pulled over an elected official in what she alleges was an act of harassment, this small town's interim police chief told her that cops had been reporting to him about the location of her car, she and others are claiming

Police district director Vanessa Cordova said Saturday that interim Chief Kevin Hart's remarks at dinner during a government conference in Monterey on Sept. 21 show she was being targeted well before the two officers stopped her in Berkeley on Oct. 7, threatened to arrest her and detained her for 45 minutes before ticketing her for not having a front license plate. She's said the officers appeared to be waiting for her on a side street.

Rachelle Sherris-Watt, Cordova's colleague on the police board, said Saturday she heard Hart's comments. A Kensington fire district director, Janis Kosel, said she was also at the dinner, and Cordova was talking about Hart's remark's immediately afterward.

Neither Hart nor police board president Len Welsh answered requests for comment.

Cordova said Hart told her, "I understand your car is getting serviced." It was, but she said she found his knowledge of that disturbing. "I said, 'How would you know that?'"

Hart replied that as police chief "I know everything" and 'more than one officer' had told him where her car was, Cordova said. "It was all very awkward," she said, adding that she asked him, "Do you know where every director's car is?" Hart didn't answer, she said.

Sherris-Watt heard the exchange. "I was taken aback," she said. Hart's remarks were "unusual, inexplicable."

Cordova said she has chosen to publicly reveal the exchange now that an administrative investigation of the matter, which that been farmed out to the Richmond Police Department, is complete and in Hart's hands. Hart said at a public meeting on Feb. 11 that he would be making "a final decision" on whether to discipline the cops involved, Sgt. Keith Barrow and Officer Manny Ramos.

Cordova said she'd been told that whatever recommendation that Richmond police made would be final. But Hart said at the meeting he will "either concur or not concur" with the findings.

Cordova said Saturday that "at the eleventh hour Hart appears to be changing the rules." Both she and Sherris-Watt called for him to recuse himself from deciding anything about the matter. Cordova said she had told Richmond police about Hart's remarks and was surprised that he apparently wasn't interviewed. Neither was Sherris-Watt, despite Cordova also telling investigators her colleague was present.

Coming nine months after this newspaper reported that Barrow's gun and badge had been stolen by a prostitute in Reno, Cordova's harassment claim further roiled politics in this affluent West Contra Costa town, where nearly all the board's business involves the 10-member police department. Hart, a Dublin councilman and a retired Alameda County Sheriff Department's deputy, took the helm of the department last year when the board cut off contract negotiations with Chief Greg Harman, effectively firing him for his handling of the Reno debacle. An audit by the Contra Costa Sheriff's Office of Harman's investigation of Barrow found it was not done to professional police standards.

But Hart is now finding himself in the Kensington hot seat. At the Feb. 11 meeting, resident John Gaccione told the board that Hart "appears to be playing politics with a director who does not support his spending policies" and "may lack the professional skills to manage sensitive personnel matters."

But others claimed the process was not being allowed to play out. Former director Linda Lipscomb said she had once gotten a ticket in Kensington for not having a front license plate. Resident Andrew Reed said the proceeding had become "a Kangaroo Court."

It is unclear when and how much of the investigation will be made public. State law blocks public disclosure of police personnel matters. Hart said he had turned the Richmond report over to district lawyers to decide what could be said about it.

Follow Thomas Peele at [Twitter.com/Thomas_Peele](https://twitter.com/Thomas_Peele).

UPDATE: Southwest expansion proposal a product of MH growth

Posted: Wednesday, February 24, 2016 3:59 pm

Surrounding Royal Oaks Mushrooms on Watsonville Road in southwest Morgan Hill was virtually “nothing” in the way of homes or any other kind of development when Robert Vantassel, now the farm’s operations manager, started working there in the 1980s.

He remembers some scattered row crops in the area, and what his grandparents called “permanent pasture” in the vicinity of the mushroom farm. He faintly recalls a gas station across Monterey Road, which forms the eastern boundary of Royals Oaks’ property.

Now, most of those fields host residential neighborhoods, new roads and small retail businesses. Monterey Road is a bustling commuter thoroughway. Oakwood School and Morgan Hill Bible Church (which also houses a school) neighbor Royal Oaks to the south and east, respectively.

There remain some vacant fields and active farmland—as well as large residential lots—to the south and west of the mushroom farm, but the increasing mixture of urban and rural land uses in such close proximity is at the crux of the debate over whether the City of Morgan Hill should annex properties such as Royal Oaks and farms in the Southeast Quadrant into the city limits.

“In the mid-1990s they built the school, and then the condos across the street, and it became very difficult for me to continue to farm there,” said Royal Oaks owner Don Hordness. “I decided to move my business. In order to do that, we needed to get this thing sold.”

In 2013, the Santa Clara County Local Agency Formation Commission approved the annexation of Royal Oaks’ Morgan Hill farming operation, which employs 55 people on about eight acres. But Royal Oaks owns about another seven acres (mostly vacant) to the west of the mushroom growing facility.

The city’s proposed extension of its Urban Service Area boundary around the remainder of Royal Oaks’ property, Oakwood School, Morgan Hill Bible Church, adjacent residential properties, a strip mall and other remaining farmland—collectively known as “Area 2”—will be considered by



Royal Oaks Mushrooms

Miguel Ramos packs freshly picked mushrooms at Royal Oaks Mushrooms on Watsonville Road Feb. 23.

the LAFCO board at its March 11 meeting. (“Area 1,” the SEQ project, is on the same meeting agenda.)

The Area 1 proposal has been in the works for about a decade, Hordness said.

Hordness wants to complete the annexation of his property and move his agricultural operation to a less populated area. He plans to one day develop the Morgan Hill site into a 123-unit senior housing complex if LAFCO approves the USA extension—a precursor to a city limits expansion.

The Area 2 request includes a total of 17 parcels. Other properties are the 24.5-acre Oakwood School campus; a 2.2-acre property owned by the Santa Clara Valley Water District; the 8.7-acre Morgan Hill Bible Church site; an approximately three-acre commercial site consisting of a hair salon, masonry operation, tool supply and the Bay Area Chrysanthemum Growers’ Co-op; and seven low-density residential properties, according to the LAFCO report.

LAFCO staff has recommended denying the project, primarily because the city limits already encircle ample vacant land to develop the kind of projects proposed in the USA extension request.

“The City has enough residentially designated vacant land within its existing boundaries to accommodate its residential growth needs for the next eight to 24 years,” reads part of the LAFCO staff report. “The proposed USA expansion would result in unnecessary conversion of prime agricultural lands and would create further land use conflicts with surrounding agricultural lands and encourage development of additional lands.”

In addition to the senior housing complex on Hordness’ property, other proposed changes in the USA request area include an expansion of Morgan Hill Bible Church, more sports fields and classrooms at Oakwood School, and about 117,000 square feet of unspecified, non-retail commercial uses on six of the smaller parcels, according to the LAFCO report.

The city and the property owners submitted a nearly identical USA extension request to LAFCO in 2013, but the seven-member commission approved only the mushroom farm. The other properties were rejected for similar reasons cited in the current staff report.

This time, City Hall and property owners think they have a better chance of gaining LAFCO’s blessing because the city now has an agricultural mitigation policy. The city council adopted this policy in 2015, requiring any developer who builds on farmland within the city limits to pay a mitigation fee that goes toward the permanent preservation of an equal acreage of agricultural property elsewhere in Morgan Hill (preferably in the SEQ, which sits on the east side of U.S. 101).

The city even submitted an agreement to LAFCO, signed by Hordness Jan. 13, in which the Royal Oaks owner promises to provide such mitigation when he is finally able to develop the residential project. Hordness said the LAFCO staff recommendation is “irritating.”

“The city and myself have worked really hard to get the plan in place,” Hordness said. “After the (agreement) was done, I gave it to LAFCO and thought they would be happy, and they weren’t.”

Long time coming?

Other properties in the Area 2 expansion request, such as Morgan Hill Bible Church, simply want to use nearby city services to facilitate their growth.

“We’re wanting to be in the city so we can take advantage of the water line in front of our property instead of staying on a well, and move away from having a septic field and take advantage of local services,” said Pastor David Whitaker.

LAFCO staff say including this property in the USA would “potentially increase urban/rural land use conflicts for adjacent/surrounding lands and likely put undue development pressures on those lands.”

A letter from nearby homeowner Rod Braughton stated his and neighbors’ opposition to the USA expansion and a proposed cell tower on the Bible Church’s property. Attached to his letter is a petition signed by 17 of his neighbors.

The homeowners think the USA expansion would “add to urban sprawl (and)... add an intrusion to a quiet, rural setting.”

The LAFCO report also notes that some of the properties in the Area 2 USA request are already in the city limits, but not in the USA.

Mayor Steve Tate, who voted along with the rest of the city council to approve the LAFCO request in September 2015, said this creates an awkward boundary situation that the city hopes to rectify. He added that while there is “definitely” a supply of properties within the city limits available for development, the 67-acre area south of Watsonville Road is a “prime” area for the type of growth proposed there.

“We put Butterfield Boulevard all the way through it. It’s close to good transportation corridors. We think it’s suitable for development going forward,” Tate said.

Royal Oaks and other mushroom farms in South County appear to be thriving, as the fungus is the number two top money-making crop in the county (behind nursery crops). The mushroom industry in 2014 made about \$72.1 million.

However, mushrooms grow in compost, which can emit an unpleasant odor for nearby residents. While Royal Oaks doesn’t produce its compost at the Morgan Hill facility, on days when they move the material from Hollister the neighbors can be affected.

Oakwood School Executive Director Ted Helvey said he “couldn’t be more supportive” of the redevelopment of the nearby Royal Oaks site for this reason, even though the school is in favor of

local agriculture in general.

Hordness added that the surrounding housing and proposed development at Royal Oaks makes it difficult to improve the agricultural site, and commuter and residential traffic is not compatible with the transportation of farm equipment.

“I couldn’t go in there and expand the facility, and make it state of the art,” he said. “Urban use does not fit with agriculture.”

Royal Oaks has production properties in Gilroy and Hollister that can accommodate the existing Morgan Hill operation and workforce, Hordness added.

Published **February 24th, 2016**

Orinda Response Times Frustrate MOFD

By *Nick Marnell*

MOFD engine navigates Sleepy Hollow Lane in north Orinda. Photo courtesy Moraga-Orinda Fire District

district to improve inadequate emergency response times into the Sleepy Hollow, Orinda Downs and Upper El Toyonal portions of north Orinda, it should relocate station 45 to a site near the Camino Pablo and Miner Road intersection. Healy said that the district has no money to do that, and furthermore, he noted that moving station 45 would place it farther away from target hazards in Orinda, like Highway 24, the Caldecott Tunnel, the BART tunnels, senior assisted living facilities and a convalescent hospital. "This is an example of how every contemplated fire station relocation has potential positive and negative effects," he said.

The report also called for structuring aid agreements with adjacent Alameda County and East Bay Regional Parks fire districts. Healy said that MOFD has executed automatic aid and mutual aid agreements with the Berkeley Fire Department and EBRP.

Some have proposed using smaller, more nimble apparatus to quickly navigate that difficult terrain and those narrow roadways. "What we'd pick up in size we'd give up in tools and equipment," said the chief. District union representative Anthony Perry agreed. "The narrow roads and numerous blind spots of Orinda dictate the speed of the apparatus," he said. "A smaller response vehicle would have the same limitations, and yield no faster response."

As for those narrow roads, the district can expect no help from the city of Orinda. According to Chuck Swanson, director of public works and engineering services, Orinda is only reconstructing the road pavement, and because of the high cost will not be widening or straightening the city roads. "Also, many of our residents like the semi-rural character of the roads the way they are," he said.

In that case, those residents need to prepare themselves even more so for a major disaster, when evacuation times will matter maybe more than response times. District emergency preparedness coordinator Dennis Rein advises Orinda residents to not wait for the community warning system alert, but to take action on their own. "If there is any doubt in your mind, go," he said.

As Healy works on his Standards of Coverage document, and his geographic information system

For years emergency medical call response times in Orinda have exceeded those in Moraga. The terrain and the narrow, winding roads in sections of Orinda make it difficult for the Moraga-Orinda Fire District to safely transport personnel and equipment to the emergency scenes. As fire chief Stephen Healy prepares to update the MOFD Standards of Coverage, a deployment analysis of district resources, he again confronts the reality of the lengthier Orinda emergency response times and what, if anything, can be done to reduce them.

Based on district records, the 2011 average medical emergency response time in Orinda ran six minutes and 15 seconds. The 2015 average Orinda response time jumped to a hair under seven minutes. The Moraga times rose from five minutes and 47 seconds to just over six minutes.

A 2011 MOFD facilities report stated that for the

analyst crunches the numbers yet again, the chief conceded that the fact of longer response times in Orinda will not go away.

"It may be an unavoidable issue," he said.

Reach the reporter at: nick@lamorindaweekly.com

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January Projected Reopening of Lafayette Station 16

By Nick Marnell

Inside the Contra Costa County Fire Protection District 2016 Operational Plan lies one sentence that Lafayette residents have been waiting to read for nearly four years: the district will propose to its board that "we open a newly rebuilt Fire Station 16 in January 2017."

The county closed the uninhabitable Lafayette fire station in 2012, and as the proposed station 46 joint venture between ConFire and the Moraga-Orinda Fire District dragged on, ConFire opted to rebuild its own station for \$1 million rather than spend three times the money to erect a shared station at the Lafayette-Orinda border.

A structural engineer delivered the district a positive report on the condition of the building, and ConFire awaits the results of a geothermal test on the soil beneath the floor slab. The report should be completed by mid-March. "The slab has settled, probably as a result of soil loss under it, and will most likely require us to mitigate surface runoff from the street," said fire chief Jeff Carman.

Concurrently, the district will select an architect, and should then be ready to draw documents and put out bids for the station construction. Once all of the documents are prepared, the district will secure a rough price estimate and be then able to go to its board for project approval.

"We are still feeling good about our original direction that we can use the existing foundation and rebuild the station," said the chief. "With anything like this, we are prepared for the unexpected and think we can react to whatever is thrown our way. Worst case scenario is we will have to rebuild the entire structure, which I think we are even prepared for should that happen."

Reach the reporter at: nick@lamorindaweekly.com

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OPINION: Annexation Would Be Good for Gilroy

Ron Kirkish | Posted: Thursday, February 25, 2016 4:43 pm

LAFCO’S 1984 report is the example of what smart growth is truly all about. This same report was then extended in 2006, and again in 2014, without modifications, 30-plus years!

It takes into account land use for agriculture, commercial, and residential for now and the future, and LAFCO was intentionally created by the state of California to prevent sprawl and unmitigated growth as was done in San Jose and other cities of Santa Clara County during the early 1960s.



721 acres

In fact, this 30-plus year odyssey began in 1969 when LAFCO allowed Gilroy to annex two smaller properties that lay within the boundaries of Subarea 3—this was a whopping 47 years ago.

How can anyone with knowledge of the truth about LAFCO’s 30-year “Sphere of Influence Study for Gilroy” believe that the annexation of Subarea 3 (Rancho Los Olivos) is being “fast-tracked,” as claimed by Gilroy Growing Smarter?

Indeed, over the last 30 years, the city of Gilroy has strictly followed LAFCO’s 30-year-old report and its specified guidelines to a “T.”

Innuendos of conspiracies are merely tactics to prohibit growth, while trying to vilify those like Mayor Perry Woodward, Councilmembers Cat Tucker, Terri Aulman, and Peter Leroe-Muñoz.

These members of the City Council have well served our community for many years and are truly the responsible leaders of our city, who have the political and moral backbone and judgment to do the right thing for Gilroy’s future.

In 1984, LAFCO designated Subareas 2 & 3 as the priority areas slated for future residential growth and it took 33 years for the city of Gilroy to finally decide it is time to consider annexing it into the city for future development 15 to 20 years from now, when the current properties available within the city have been built out and there is no more land available to develop.

In the meantime, the city would have ample time to plan the area layout for the future; gas, electric, sewer lines, sidewalks and streets, traffic flow, stop signs and lights, telephone lines, in order to design the whole project properly and avoid the sprawl that smaller projects are known to cause.

Without this annexation, the city will still have RDOs available but no land to build on, which is hardly a good thing for the future vitality and vibrancy of our city, its businesses, and jobs.

Already, the city of Gilroy finds itself without enough cheap land to build a new school that is necessary to meet our current needs, even though there is enough money available to build it. The only available land is too expensive for the school district to consider and would take up more of their funds than they are willing to spend.

So citizens of Gilroy, should someone ask you to sign your name on a sheet of paper, before you do, tell them to “show me,” just like in Missouri.

Challenge them to show you the data on why LAFCO’s plan is not smart growth and why theirs is. Don’t sign anything until you are fully informed of what you are being asked to sign. Inform yourself first. Otherwise, you and our city will suffer greatly from the unintended consequences of short sightedness.

Can you imagine? Anytime the school district needs land to build a new school, the city will need to spend \$100,000 just to put it on the ballot, not to mention land for any other needs for our community. What a fiasco!

Ron Kirkish is a retired semiconductor engineer and longtime Gilroy resident with two grown sons who attended Gilroy schools. He wrote this for the Dispatch.

Guest view: History supports city's SE Quad plan

Ann (Forestieri) Minton | Posted: Friday, February 26, 2016 7:19 pm

I grew up on a prune ranch on Fisher Avenue bought in the 1930s by my immigrant grandparents, Gataeno and Anna Forestieri. My first job was picking 10 boxes of prunes to buy a lunch box when starting kindergarten. The year was 1960.

My brother Steve and I worked summers, weekends and part-time jobs. My parents were adamant that farming was not a feasible career for us. Steve and I found other careers—an engineer and court reporter, respectively.

Morgan Hill is a town rich in history, and my father helped build that image and was appointed to the Federal Prune Administrative Committee by Secretary of Agriculture Bob Bergland in 1980.

You must understand the past to see the future. The freeway placement, which my father Duke Forestieri fought, cut off our land to the west. Dad took on other people's orchards to make ends meet for our family. He also pursued the idea of moving to Yuba County where prune farming was beginning. My father's love of Morgan Hill instead kept him here. He continued to sharecrop but as Yuba County's production increased, it drove the price of prunes down everywhere—including in Morgan Hill.

The cost of farming escalated in the Valley, as more and more restrictions were enacted, utility costs increased, and labor for harvesting became harder to find even though my dad paid top dollar and provided free housing for the seasonal workers.

My dad's health began to spiral downward in his mid-70s. He gave up sharecropping and farmed only his land and the next door neighbor's..

The pioneer farmers did not have stock options or golden handshakes; they had their families and their land. Dad joined others in working with the city in the 90s and early 2000s to carve out a plan for the pioneer farmers and include the needs of a growing Morgan Hill. Before he died in 2011, this plan was taking shape and he told me, "It lets people enjoy using our land, not just looking at it as they drive by, but to walk on it, play on it".

This final plan has been worked on for over 15 years. It provides an area where kids who cannot afford traveling teams can improve their skills in many sports and have a better chance at the



Letters to the editor

coveted spots on the high school teams. It will provide a place for community sponsored events, where families can afford the tickets for the whole family.

If this cohesive plan is not put into place, landowners will go their own way, creating a haphazard tapestry for financial survival, which will not enrich our children's lives or improve the landscape.

I firmly support this plan for the SEQ.

Editor's note: The Southeast Quadrant/Sports-Recreation-Leisure Urban Service Area expansion plan will be considered for approval at the March 11 meeting of the Local Agency Formation Commission. For more information, visit morganhilltimes.com or santaclaralafco.org.

Guest view: LAFCO should reject SE Quad plan

Mark Grzan | Posted: Friday, February 26, 2016 7:22 pm

The City of Morgan Hill's plan to develop county farmland to preserve it lacks merit. It undermines broader regional efforts to enhance and protect productive farmlands throughout our valley. Dominated by financial self interests, the city has pushed forward a fiscally and environmentally irresponsible plan that will hasten the demise of local farming. With the impending effects of climate change, preserving our farmlands becomes crucial. This is why on March 11, the Local Agency Formation Commission (LAFCO) must vote to deny the city's plan.



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The city is seeking LAFCO approval to annex 229 of acres of farmland in the county for commercial development to fund preservation. But the funding plan is flawed and grossly inadequate according to the Santa Clara Valley Open Space Authority and American Farmland Trust, and LAFCO concurs. The city has 45 years' worth of vacant commercial land within its current boundaries. It can use those lands and not develop any farmland at all.

As the city touts its preservation policies, it has declined to work with the OSA, the county and LAFCO to address concerns they have with the plan.

So what is the city's plan? There is no plan. There are few if any viable projects proposed for the lands to be annex. If LAFCO approves the city's request, the city can simply abandon the plan and rezone for commercial and residential use. There is no guarantee than any farmland will be preserved.

The city has proposed a terrible recipe for 21st century urban sprawl. It's greed, not need. And that puts our region at risk of losing an invaluable and finite resource, at risk of lowering our quality of life, at risk of damaging an important and valued economic industry in our valley. In fact, the county agricultural commissioner has recently reported, "The value per acre and the value per worker created by Santa Clara County agriculture has continued to increase and has never been higher."

Southern Santa Clara County contains the majority of farmlands in the county and their value cannot be understated. Our farmlands are utilized throughout the year. They are supported by a

unique groundwater basin. They are well suited to lessen the effects of climate change through carbon storage, water retention, flood protection, local food production, habitat and biodiversity.

The lands in question are county lands. While the cities have a part in protecting farmlands, it is the county that is in the best position to ensure a coordinated effort. The city's piecemeal plan undermines all farmland at the cusp of regional efforts to preserve.

Please add your voice to theirs and send an email to LAFCo before March 11th c/o Executive Director, Neelima.Palacherla@ceo.sccgov.org to urge LAFCo to deny the City's proposal.

Mark Grzan is a Morgan Hill resident and former City Councilmember.

Contra Costa Times

Danville: Battle continues over housing project's impact on cyclists

By [Sam Richards](#)

srichards@bayareanewsgroup.com

Posted: 02/29/2016 12:00:00 AM PST

DANVILLE -- The battle over whether cyclists' safety should be a bigger factor in approving plans for a 69-house housing tract off Diablo Road near the enclave of Diablo continues to simmer, as a key court decision about the tract's overall approvals in 2013 will wait a few weeks longer.

At issue is whether the town's approval three years ago of the Magee Ranch housing development should be rescinded because the environmental impact report failed to account for the project's effect on cyclists. Contra Costa County Superior Court Judge Barry Goode said Thursday he wanted more information before making a ruling; that hearing is scheduled for March 17 in Martinez.

The Danville Save Our Open Space citizens group sued the Danville Town Council over the 2013 EIR that greenlighted developer SummerHill's plans for houses on 38 acres of flat land adjacent to Diablo Road. This narrow, winding road, especially the 1¼-mile stretch between Green Valley Road and Mt. Diablo Scenic Boulevard, has become one of central Contra Costa's most popular routes for bicyclists, a gateway to Mount Diablo State Park.

"We're fighting to make sure a good job will be done on that (environmental impact) report and that bicyclists' safety will not be shortchanged," said Maryann Cella, a spokeswoman for the Danville Save Our Open Space group.

The Oakland-based group Bike East Bay and the California Bicycle Coalition, headquartered in Sacramento, have filed court briefs supporting Danville SOS's efforts to secure cyclists' safety if Magee Ranch is built.

Contra Costa County Superior Court Judge Steven Austin ruled in July that the council violated parts of the town's general plan, as well as state environmental law, by approving the project and its environmental report, which didn't sufficiently consider bicyclists' safety. Austin's ruling required the council not only to redo the environmental impact report but to rescind its approval of the entire project.

The town, working along with SummerHill, appealed Austin's ruling, and an appellate court ruled the EIR must be redone but that the 2013 project approvals could stand. Danville SOS is, in essence, asking Goode to reinstate Austin's ruling.

Danville Town Attorney Robert Ewing reiterated Friday the town's desire for Magee Ranch's 2013 approvals to remain in place while the environmental report is reworked.

"To have this one remaining issue halt things when the appellate decision said we properly approved the project itself ... it seems like a waste of resources to go back through the whole process again," Ewing said.

Cella disagrees, saying that if a project was approved with a faulty environmental report, the project approval itself is therefore faulty. She also believes the town's stance is based on its fear of a referendum election on the whole project. Such referendum petitions must be submitted within 30 days of the council's approval of the opposed action, and having to re-approve the housing plan could leave it vulnerable to a vote, said Cella, who strongly denied last week that her group's ultimate goal is to squash the Magee Ranch project completely.

Partnerships like the SummerHill/town of Danville one are fairly standard procedure in cases like this, Ewing said, and after Goode's expected ruling, he expects that the town and developer will once again defend their separate interests.

Cella asserts there's an inherent conflict in that partnership.

"It gives us grave concerns about their objectivity," she said. SummerHill, as a business, has no obligation to be objective and impartial, Cella said, while the town does.

Contact Sam Richards at 925-943-8241. Follow him at [Twitter.com/samrichardsWC](https://twitter.com/samrichardsWC).

Mercury News

Mark Grzan: Morgan Hill land annexation deadly for farming

By Mark Grzan

Special to the Mercury News

Posted: 03/01/2016 10:00:00 AM PST | Updated: about 15 hours ago

The city of Morgan Hill is proposing to annex and develop 229 acres of prime farmland in an area known as the Southeast Quadrant. The city claims this annexation will preserve farmland. The absurdity of the plan is matched by its lack of merit.

It will not protect farmland. It is classic urban sprawl, and it will be a long-term fiscal burden on the city and its taxpayers. This is why on March 11, the Local Agency Formation Commission (LAFCo) must vote to deny the city's misguided plan.

Morgan Hill contends its new agricultural program -- a part of their plan -- will help compensate for farmland lost to development. Yet the Santa Clara Valley Open Space Authority and American Farmland Trust state that the plan lacks adequate funding to purchase farmland in an amount equal to the farmland that is lost. LAFCo's analysis confirms the plan has "serious deficiencies" and is "unreasonable" in its ability to generate sufficient funds to preserve farmland.

So why do city officials want to annex these farmlands? They claim they need the land for commercial development. But according to the city's own data, it has 45 years of vacant commercial land within its current boundaries. Clearly, it has plenty of undeveloped land within city limits yet has been unwilling to focus on infill development as requested by LAFCo, the Santa Clara County and the Open Space Authority.

Keep in mind that if LAFCo approves the city's request, the City Council can alter the zoning in the quadrant at any time. In fact, the city knew of recent negotiations between the local school district and landowners. Schools are not permitted under the proposed zoning, yet the city did nothing to stop these negotiations. This begs the question: What is the city's real plan for this area?

The plan is nothing more than a costly recipe for urban sprawl with no purpose. It will have important regional implications. It further erodes the things that enhance our quality of life: finite farmland resources that drive our valley's economically significant agricultural industry crucial environmental benefits that lessen the effects of climate change and, of course, rural viewsheds that improve our quality of life.

The effort is greed, not need.

In addition to the regional implications, there are local fiscal impacts. The LAFCo analysis determined that the city has not demonstrated that it has the ability to provide and fund services such as water, police and fire, to the quadrant without adversely affecting the current level of those services to residents.

This fiscally and environmentally irresponsible plan can only ensure the demise of farming in the area. It undermines broader regional efforts to enhance and support productive farmlands throughout our valley.

Preserving farmland is a regional, not a local, issue. While the cities have a part in protecting farmlands, it is the county that is in the best position to ensure a coordinated regional effort is in place to preserve these lands and help cities direct growth away from these important farmlands. This regional effort is on the cusp of taking flight and the city should engage in earnest in this process.

The current plan was devised between the city and landowners in the quadrant. The city limited public participation in its planning and decision-making process for these lands. Regardless, there is a growing number of organizations and citizens raising their voices in opposition.

Please add your voice and send an email to LAFCo (Neelima.Palacherla@ceo.sccgov.org) before March 11. Urge LAFCo to deny the Morgan Hill's annexation proposal.

Mark Grzan is a former Morgan Hill councilman and mayor pro tem. He wrote this for this newspaper.

Guest commentary: Federal Glover: Economic well-being of Contra Costa looks good but affordable housing market will get tighter

By Federal Glover

[Guest commentary](#)

Posted: 03/01/2016 11:36:55 AM PST | Updated: 23 min. ago

It is good to be a Californian. It's even better to be a resident of the San Francisco Bay Area ... if -- and that's a big "if" -- you are currently employed and already are making your monthly mortgage.

During the Board of Supervisors' annual retreat last month, we were given a report on the economic well being and forecast for the East Bay (Alameda and Contra Costa counties) from Beacon Economics, a consulting firm that has kept its eye on the economy for years.

Our population continues to grow. Charting from 1970 to 2014, the graph shows almost a 45-degree angle indicating a rapid pace of growth.

If the trend continues, the Bay Area and Contra Costa can expect that growth to continue. Short of building a wall around the county and posting signs "Keep Out!" where all these new people will live is one of the biggest problems facing the county and the Bay Area.

One of the most worrisome predictions was: if you're rich, you're probably going to be richer; and if you're poor or a lower-income earner, you're probably going to have a harder time stretching your dollars to meet the rising living costs of the Bay Area. In other words, the gap between the rich and the poor will continue to widen.

Economically, the Bay Area is performing better than California. The state is also doing better than the rest of the nation. But there are pockets in the Bay Area where our improving economy still feels like a far away dream.

First the good news: The number of jobs continue to grow in both counties but at a slower pace than the tech-rich South Bay and San Francisco.

Unemployment has fallen to 4.8 percent. Most of the job growth has been in leisure and hospitality, professional and business services and the nonresidential construction.

A lot of the new jobs are coming from the movement of companies formerly located in San Francisco and the South Bay to the East Bay, which offers more affordable housing and office rentals.

Most noteworthy was the decision for Uber to move its headquarters to Oakland. Besides Uber, some of the new East Bay corporate neighbors include Sunset Magazine going to Jack London Square, Shaklee has combined its San Francisco and Hayward sites into a single locale in Pleasanton, and DelMonte is moving from the city to Walnut Creek. The impact of these corporate moves go beyond their specific fields. The new office workers will need housing and schools for their kids, the children will need new clothes and sneakers, families will enjoy being closer to the local food sources, young kids will need child care, many will probably need cars to get around our spread out communities and the offices will need to be cleaned and gardens need to be tended.

The benefits and the job creation of these corporate moves are endless and that will help spur our economy.

But there is also a dark side. The people who clean the offices, the gardeners who trim the shrubs and trees, the child care providers, the teachers, the uniformed men and women that will police our communities will need a place to live. There simply is not enough housing for them. Oh, the wealthy will always find a house that fits their income, but the workers who make up our middle class and the families just starting out don't have enough places to live.

Builders are not building enough starting-out residential units, whether they be townhomes, condos or smaller detached homes where some lower-income families can start investing their income in a home of their own that will put them on the first rung of the homeowners' ladder to bigger and more expensive homes.

Of the Bay Area counties, Contra Costa has the smallest number of permits for multifamily housing.

Despite complaints that government has grown too large, in Contra Costa the total number of government jobs -- that includes federal, state, county and city -- in 2014 is about the same number of jobs in 2000.

In 2000 we had 48,200 jobs; today we have 49,100 jobs.

The number manufacturing jobs have gone down, but the number of jobs has increased in leisure and hospitality jobs. It's important to note that the jobs in leisure and hospitality are low compared with the high-paying jobs in manufacturing, which in earlier years was enough to maintain a middle-class living style. Job trends show that leisure and hospitality employment has had the biggest increase and manufacturing had the smallest increase in the number of jobs.

All in all, the dollar will remain strong. In the years to come, we still are concerned about the state's water policy, the growing inequality, finding housing people can afford and maintaining and improving our infrastructure.

Supervisor Glover represents District 5 on the Contra Costa Board of Supervisors.