

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

May 11, 2016

Board of Supervisors Chambers
Martinez, CA

1. Chair Mary Piepho called the meeting to order at 1:31 p.m.
2. The Pledge of Allegiance was recited.
3. Appointment of Public Member and Alternate Public Member

Due to the lack of City Members at this time, this item was postponed to later in the meeting.

4. Roll was called. A quorum was present of the following Commissioners:

County Members Mary Piepho and Alternate Candace Andersen.

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

City Member Don Tatzin arrived at 2:41 p.m.

Public Members Don Blubaugh and Alternate Sharon Burke.

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

5. Approval of the Agenda

Upon motion of Blubaugh, second by Andersen, Commissioners, by a vote of 5-0, adopted the agenda.

AYES: Andersen (A), Blubaugh, McGill, Piepho, Skaredoff

NOES: none

ABSENT: Glover (M), Schroder (M), Tatzin (M)

ABSTAIN: none

6. Public Comments

Juan Pablo Galván, representing Save Mount Diablo, spoke regarding the Draft Agriculture and Open Space Preservation Policy (AOSPP), stating that organization's support for the draft document, and encouraging the addition of a mitigation requirement, with a 1:1 ratio. Save Mount Diablo has submitted a letter on this.

Jon Harvey, with Brentwood Agricultural Land Trust, also spoke on the AOSPP, with two suggestions, that LAFCO include a 1:1 mitigation requirement for agricultural lands taken out of production, and that it address the need for mitigation dollars and a depository for such funds.

7. Approval of April 13, 2016 Meeting Minutes

Commissioner Blubaugh pointed out that the minutes erroneously credited him with seconding the motion to approve the March 9 minutes, even though he was absent (and noted as such). Chair Piepho asked staff to correct this.

Upon motion of McGill, second by Skaredoff, the minutes were unanimously approved as corrected by a vote of 4-0.

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

8. LAFCO 16-04 - City of Martinez Out of Agency Service (1161 Plaza Drive)

The Executive Officer provided background on this request by the City of Martinez to provide municipal water service to a property at 1161 Plaza Drive in the unincorporated Mt. View area. The landowner is proposing to build a single family home on the property, and is in the process of obtaining a building permit through the County. Staff summarized the actions taken by the City in furtherance of annexation and recommended approval.

Tim Tucker, Engineer for the City of Martinez, responded to Commissioner McGill's questions about the City's commitment and timetable for the future annexations of the Pacheco and Mt. View areas. Commissioner McGill urged Mr. Tucker to convey to the City that LAFCO is concerned about the number of out of agency service requests and interested in seeing movement from the City on annexation.

Upon motion of Blubaugh, second by Andersen, Commissioners, by a 5-0 vote, found the project exempt pursuant to §15303 of the CEQA Guidelines; and authorized the City of Martinez to extend municipal water service outside its jurisdictional boundary to the 0.13±-acre parcel located at 1161 Plaza Drive, subject to specified terms and conditions.

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

9. LAFCO 16-01 - Scott and Kathryn Carr Annexation to East Bay Municipal Utility District (EBMUD)

The Executive Officer provided background on this proposal to annex a 5.9± acre parcel located south of the Town of Moraga to EBMUD. The property owners submitted the annexation application in response to a letter from EBMUD advising them that the District erroneously allowed the property to receive water service, although the property is outside the District's service boundary. The District requires that the property annex or find another source of water. The property is inside the District's SOI as well as that of the Town of Moraga, and is inside the ULL. Transfer of jurisdiction to this LAFCO was previously approved by the Alameda LAFCo.

Commissioner McGill asked about an EBMUD island that would be created with this annexation; staff explained that most of that area is part of a planned Moraga development.

Upon motion of Andersen, second by Blubaugh, Commissioners, by a 5-0 vote, found the project exempt pursuant to CEQA Guidelines, Sections 15061(b)(3) and 15319; approved the proposal to be known as Scott and Kathryn Carr Annexation to EBMUD, with specified conditions including USBR approval; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

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

10. Fire and Emergency Medical Services MSR/SOI Updates (2nd Round)

The Executive Officer introduced the team of consultants: Mike Oliver and Brian Kelly with Municipal Resource Group, LLC, and Richard Berkson of Berkson Associates. The draft MSR report was released on May 4th, and the public comment period ends on June 1st. This 2nd round MSR focuses on three primary areas: 1) data updates for 11 EMS/fire service providers (three cities; eight special districts); 2) review of auto and mutual aid agreements; and 3) concentrated analysis on East Contra Costa Fire Protection District (ECCFPD) and Rodeo-Hercules Fire District (RHFD), and their interface with Contra Costa County Fire Protection District (CCCFPD).

The consulting team gave an overview of their findings, noting that ECCFPD now has three stations as compared to the eight stations that were operating in 2010 (with a fourth station to reopen this summer); one of RHFD's two stations is in imminent danger of closing; and CCCFPD has been forced to close four of its stations. All three of these districts have been working hard to find ways to address their situations.

Fire agencies in the county as a whole do not meet response time standards 90% of the time. However, ECCFPD's response times are excessive, RHFD's station closure will affect response times in West County, and both of these districts rely on the aid of CCCFPD (and other districts in West County) for additional equipment and staff in the event of a fire. This is affecting all districts' capabilities to respond in timely manner to any emergencies.

Mr. Oliver suggested that the cities of Oakley and Brentwood will need to accept some responsibility for raising revenues for ECCFPD through new development fees (included in their general plans) and existing state laws and other powers that can ensure that new development offsets the cost of fire services. They should also work on a strong education program in the community to move forward on a tax measure that would stabilize and sustain the district. Without additional ongoing revenues, other resources will not be adequate.

RHFD is confronting multiple issues. This district also needs to educate the community on the need for a tax measure. The district is currently in discussion with Pinole and CCCFPD on sharing a fire chief, which could reduce costs for Pinole and RHFD. The consultants recommend a Standards of Cover (SOC) study (ECCFPD is already doing this) for the entire West County to establish an objective platform for discussions on the future of fire services in the area.

Similarly, CCCFPD will need to engage the community in assessing the future and establishing greater stability in revenues. CCCFPD will be unable to help adjacent districts without greater revenues; with further resources, it could provide a host of services to smaller districts that are too expensive for those smaller agencies.

All agencies in the county have signed the California State Master Mutual Aid Agreement, as well as the Contra Costa County Fire Chiefs' Mutual Aid Plan, which governs day-to-day interagency cooperation when an emergency exceeds the operational capability of any fire agency. Mutual aid is a voluntary program; districts determine if they are capable of

responding to a request from another district. Automatic aid agreements differ from Mutual Aid Agreements in that agencies formally agree in advance of an emergency occurring to provide assistance upon the report of an incident requiring an appropriate response by a fire agency.

Richard Berkson reviewed the consultants' recommendations, including provisional SOIs for both ECCFPD and RHFD, pursuit of special taxes for fiscal stabilization, some minor SOI adjustments as well as affirmation of existing SOIs for some of the districts, annual reports from ECCFPD and RHFD, and exploration of further collaboration among districts.

The following is a brief summary of comments. Detailed comments, along with responses from the consultants, can be found in the comment log.

Commissioner Skaredoff expressed concern about wildfires and how this impacts or is impacted by the districts' operations; asked about public perception regarding retirement costs; is there something that can be done to change the public's thinking on this; and applauded the SOC study; this may be the way to provide defensible information to the public to help them understand the importance of their support of special tax measures.

Commissioner Blubaugh commented on the deterioration in response times, noting that this report demonstrates well that revenue is the core issue, and that other options and solutions have played out at this point; and asked why a directly elected board for ECCFPD would make a difference for that agency, and encouraged the consultants to address this in their final report.

Commissioner McGill asked about refineries' fire departments and their impact on fire service and needs, and asked that the consultants include information in the MSR about the refineries. In response to Commissioner McGill's question about response times, Mr. Kelly showed a chart of the "fire propagation curve," which demonstrates the quick rise in property damage with the increase in response time (recommended response time is seven minutes or less). Commissioner McGill questioned if requiring special fees and taxes from new developments might create a class system of services. Commissioner McGill noted that retirement systems get a bad rap, and the public needs better educating about what the costs are and how CCCERA and member agencies are working to reduce long-term liabilities.

Commissioner Andersen commented that this report is an accurate assessment of where our county is with fire services, and that additional revenue will have to come from somewhere.

(Commissioner Blubaugh departed at 3:10 p.m.; Alternate Commissioner Burke stepped up to the dais.)

Chair Piepho asked the consultants to clarify the territory served by ECCFPD by calling it "far" east county (to distinguish from Pittsburg and Antioch). Chair Piepho commented on the impact that redevelopment agencies had and continue to have on fire services—as significant as the impact of unfunded pension funds and other retiree benefits. Chair Piepho asked for further details on the sustainability of ECCFPD if the cities Oakley and Brentwood were to detach from ECCFPD. Chair Piepho remarked that emergency medical services response times increased in all four zones as well, all above 94.07%; she can provide a copy of the report about this. Chair Piepho asked for more information about the ISO ratings; these represent dollars and cents to property owners. Chair Piepho suggested that other visuals that might be useful would be a short video she has seen that shows firefighters in real time

coming into a burning room to quell a fire. Chair Piepho asked how LAFCO can drive policy change without the authority or dollars to effect this?

Commissioner Burke asked about the implications of the State Responsibility Area fees in unincorporated areas, noting there is a need for education of property owners so they understand what they're paying for. Commissioner Burke also asked about Prop 172, and whether any fire districts get funds from that source. The Board of Supervisors oversees that fund, and police and district attorney agencies receive monies from it.

Chair Piepho opened the public hearing.

Lewis Broschard, Deputy Chief, CCCFPD, spoke in support of a 90-day extension before presenting the final draft MSR, due to the impact of the forthcoming CCCERA rate adjustment. The financial impact on CCCFPD is estimated to be \$5 million and will result in delays in reopening fire stations and on auto and mutual aid. He also agreed that CFDs are important for funding personnel needed to staff stations in new developments; and commented on the anticipated development on the Concord Naval Weapons Station site and future impacts to fire service.

Hugh Henderson, Chief, ECCFPD, reported on the District's SOC study, and spoke on response times, pointing out that travel times differ greatly between urban and suburban/rural areas. He also commented on retirement costs, over which districts have no control but must pay 100% of what they are required to pay.

Chief Henderson reported that the ECCFPD board will take steps on June 6 to go through a two-part election in November. The first question on the ballot will be whether voters want a directly elected board, and the second question follows up if they do with a slate of candidates for a five-person elected board.

Chief Henderson also spoke on auto/mutual aid, sprinklering of residential units (which has been a legal requirement in Oakley and Brentwood since the late 1980s), and the discount on CalFire SRA assessments if a property is within a fire district.

Lance Maples, Chief, El Cerrito FD/Kensington FPD, and speaking as President of the Executive Fire Chiefs' Association, presented a letter requesting that LAFCO delay final consideration of the MSR until the consultants can include in the report the impacts of CCCERA's recent decision to lower the rate of return on investments. Also, he requested that the MSR reflect the impact that redevelopment bonds will have on fire districts for another 30 years.

Chief Maples stated that an SOC has been discussed since 2009, but they are expensive; their research showed that an SOC covering only El Cerrito, Kensington, Pinole, and RHFPD would cost over \$100,000; and asserted that a section regarding Kensington call data should be removed as it is incorrect.

Vince Wells, President of IAFF Local 1230, noted that not much has changed since the 2009 MSR, and that fire services still face challenges. He concurs that there should be some form of consolidation of Battalion 7. Originally Battalion 7 had two stations in each jurisdiction (Pinole, CCCFPD, and RHFPD). With one Pinole station already closed, the closure of the Rodeo station would reduce Battalion 7's effectiveness further.

Mr. Wells also noted that while Chevron has a full-fledged fire department, the other refineries all have fire brigades; and commented on the impact the depooling of the unfunded liability had on MOFD, RHFPD, CCCFPD, and ECCFPD.

Gil Guerrero, also with IAFF Local 1230, stressed that time and staffing are of the essence. Discovery Bay has lost three residents to cardiac arrest because engines were unavailable to respond. ECCFPD has no paramedics, no fire boat, and no ladder truck. ECCFPD serves over 110,000 people, and its three engines respond to 6,900 calls annually. It is critical that the statistics be humanized.

Joe Young, ECCFPD Board Director, speaking for himself, asked that the MSR explain the recommendation for an elected board that would represent population areas, and how board independence will improve funding. He also commented on the new CCCERA assumption which will take effect in FY 2017-18; and the differences between ISO rating in rural vs. urban areas.

Bryan Craig, Acting Chief, RHFPD, urged the consultants to include a graph that shows the relationship between mortality rates response times.

Chief Craig also noted that when the Phillips 66 refinery was annexed into RHFPD, the district received only 1% of the 10% increase in the assessed value, and if the assessed value decreases, the district's share will decrease commensurately. Also, a lawsuit in Hercules means there will be almost no tax base from which the district can receive revenues. He also commented on the impacts of redevelopment on RHFPD.

Chief Craig supports consolidation (e.g., administrative, functional, full), as small districts can no longer survive, especially with the new CCCERA assumption looming.

Ernie Wheeler, RHFPD Board Director, speaking for himself, noted that if Prop 172 funds are provided to fire districts, this could trigger a reduction in fire district revenue from ERAF 2 and ERAF 3.

Chair Piepho closed the public hearing, thanking the fire chiefs and firefighters who put their lives on the line every day, and recapped some of the pertinent points made by the speakers.

Commissioner McGill commended the consultants on their outstanding job and expressed regret that LAFCO cannot use the report beyond focusing on the data. There is an increasing need to balance housing shortages with increased pressure on water services and now fire services. LAFCO's only option is to either not approve annexations or approve with conditions. Perhaps LAFCO needs a policy on this?

The Executive Officer asked what the expectation is regarding the new CCCERA assumption, given that this MSR is not looking ahead to FY 2017-18. Commissioner Andersen responded that it would be helpful to have some numbers but with the acknowledgment that they are simply projections.

The Chair asked if there could be a presentation to the cities regarding this MSR so that the public can understand the value of this information. Commissioner Tatzin noted the importance of making MSRs more useful to the public in influencing change. He suggested that perhaps Commissioners could look at the contingency fund to provide additional public outreach on this report.

The Commission agreed to the 90-day pause and the Final MSR will be presented on August 10th.

11. Adoption of Final Fiscal Year 2016-17 LAFCO Budget

The Executive Officer reported that the final budget is comparable to the budget proposed in March, and funds employee salaries and benefits, services and supplies, a contingency reserve, and an OPEB liability fund. The FY 2016-17 final budget reflects an overall increase of 10.3%, which is primarily attributable to MSRs, special studies, and potential relocation of the LAFCO office.

Chair Piepho recommended that staff work with the MSR consultants to develop a plan for presenting the draft MSR to the public in the ECCFPD district and in the RHFPD district and return to the Commission with said plan for educating the public on the challenges faced by these two districts.

Commissioner Tatzin suggested that a press release might be helpful.

Upon motion of Tatzin, second by Burke, Commissioners, by a vote of 6-0, approved the budget with the recommendation that staff return with a plan for a road show on the Fire/EMS MSR in the two affected jurisdictions.

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

12. Agenda Item 2: Appointment of Public Member and Alternate Public Member

The Executive Officer provided background on the status of Commissioner terms. In December the Commission discussed options available to them for filling the Public Member and Alternate Public Member seats including conducting a formal recruitment or reappointment.

Upon motion of Skaredoff, second by Tatzin, Commissioners, unanimously by a vote of 6-0, reappointed the current Public and Alternate Public members.

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

13. Correspondence from CCCERA

There were no comments on this item.

14. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Legislative Committee in Sacramento on April 22, and the CALAFCO Board meeting on May 6. These are painful meetings because of the heavy load of difficult legislation they are working on.

Commissioner Tatzin reported that LAFCO has received 11 comment letters so far and briefly explained the Committee's approach to categorizing the comments. He and staff made a presentation on the Agriculture & Open Space Preservation Policy to the Brentwood City Council on May 10, and they requested that the comment period be extended. He is recommending that the comment period be extended to June 20, with the draft policy coming back to the Commission on July 13.

15. Staff Announcements

The Executive Officer noted that LAFCO has received a new application from the City of Pittsburg, for their Montreux development. The BBID detachment is on track to come before LAFCO this summer.

Also, the EO attended the CALAFCO Legislative Committee on April 22 in Sacramento.

The meeting adjourned at 4:21 p.m.

Final Minutes Approved by the Commission June 8, 2016.

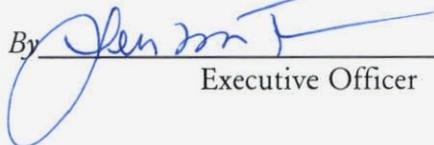
AYES: Andersen (A), Blubaugh, McGill, Piepho, Schroder, Skaredoff, Tatzin

NOES:

ABSTAIN:

ABSENT: Glover (M)

By



Executive Officer