

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

October 12, 2016

November 9, 2016
Agenda Item 5

Board of Supervisors Chambers
Martinez, CA

1. Chair Mary Piepho 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:

County Members Mary Piepho and Alternate Candace Andersen.
Special District Members Mike McGill and Igor Skaredoff.
City Members Rob Schroder and Don Tatzin.
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 Tatzin, Commissioners, by a vote of 7-0, adopted the agenda.

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

5. Public Comments

There were no public comments.

6. Approval of September 14, 2016 Meeting Minutes

Upon motion of Tatzin, second by McGill, the minutes were unanimously approved by a vote of 7-0.

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

7. LAFCO 16-02 - Reorganization: Detachments from the Byron Bethany Irrigation District (BBID) and Town of Discovery Bay Community Services District

The Executive Officer provided brief background on this proposal to detach 480± acres from BBID and two parcels equaling approximately 1.5± acres from TODBCSD to correct a boundary overlap, which was approved by the Commission at the August 2016 meeting. Because it was inhabited and two objections to the action were received prior to the August meeting, the reorganization was subject to a protest hearing.

Staff held the protest hearing on September 23, and no protests were filed; consequently, the reorganization is ordered.

Upon motion of Skaredoff, second by Andersen, Commissioners, by a 7-0 vote, received the report, ordered the reorganization, and directed staff to execute the determination.

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

DRAFT

8. LAFCO 16-08 – West County Wastewater District (WCWD) Annexation 315

The Executive Officer provided some background on this proposal for the annexation of a single parcel in the unincorporated El Sobrante area. Annexation of the parcel, which is located in an island surrounded by the District, will divide the current island into two smaller islands. This parcel is not in a septic moratorium area, and there is no public health issue. LAFCO staff recommended continuing the matter to allow the District time to contact the surrounding property owners regarding possible annexation and revisit the island issue with the WCWD Board.

The Chair opened the public hearing.

Juan Ortega, property owner, stressed that he has paid all of his fees but cannot move forward on his house construction until this issue is resolved. He has waited a long time for a decision.

Ken Deibert, WCWD, provided a brief history of the proposal, noting that Mr. Ortega started the process in December of 2015. He added that the WCWD Board discussed the options of annexing only Mr. Ortega's property or reaching out to the other landowners in the island, but decided against annexing the entire territory.

For clarification, the Chair asked if WCWD was asking LAFCO to approve the project as submitted. Mr. Deibert confirmed that.

Commissioners expressed their concern in that WCWD had not made an effort to contact the other landowners in the island area, and that this annexation would create two new islands, which is contrary to LAFCO law. Mr. Deibert responded that WCWD Board policy is to not annex properties before the landowners request such an action.

Commissioner McGill reminded Mr. Deibert that the most recent Water/Wastewater Municipal Services Review, approved in 2014, encouraged WCWD to clean up its islands, and that the District should use this annexation application as an opportunity to do that with one of its islands.

The Chair noted the staff recommendation to continue the matter and asked the property owner if such a delay would impact his project. Mr. Ortega stated that a 30-day delay is not a problem, but to continue to 2017 may mean that he'll have to start all over with his permit fees.

Following further discussion, upon motion by Blubaugh, second by McGill, Commissioners, by a 7-0 vote, continued this proposal to the regular LAFCO meeting on November 9, 2016, and asked WCWD staff to contact the other landowners in the island area to determine their willingness to annex, and work with the WCWD Board to develop a comprehensive plan for cleaning up its islands beginning with this area.

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

The Chair reversed the order of Agenda Items 8 (LAFCO 16-10) and 9 (Fire and EMS MSR/SOI Updates) due to the number of people awaiting discussion on Agenda Item 9.

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

The Executive Officer reported that this is the final step in the 2nd Round Fire and EMS MSR/SOI Updates. In August, the Commission accepted the Final Fire/EMS MSR report and adopted the required determinations for the 8 districts and 3 cities covered in the report. This final step updates the SOIs and recommends governance options.

In conjunction with this MSR, staff recommends retaining the existing coterminous SOIs for CSA EM-1, Moraga Orinda Fire District (MOFD) and San Ramon Valley FPD (SRVFPD); adopting provisional SOIs with conditions for East Contra Costa FPD (ECCFPD) and Rodeo-Hercules FPD (RHFPD); and deferring SOI updates for the West County agencies, pending the formation of a West County Task Force, including cities and districts, to address the recommendations contained in the 2016 MSR,

including undertaking a regional Standards of Coverage study, and a plan for future collaboration on grant opportunities, services and programs.

There were no public comments.

The Chair asked that the reporting period for ECCFPD be shortened from six months to a period immediately following the reporting of final November election results.

Upon motion of Tatzin, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, determined that the SOI updates are exempt under the CEQA General Rule exemption §15061(b)(3); updated the SOIs as recommended for CSA EM-1, MOFD, RHFPD, and SRVFPD; updated the ECCFPD SOI as recommended but with an earlier reporting period; and deferred SOI updates for Contra Costa County FPD, Crockett Carquinez FPD, and Kensington FPD pending an update on collaborative efforts in West County.

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

10. LAFCO 16-10 - Dougherty Valley Annexation # 17 to the City of San Ramon and Detachment from County Service Area (CSA) P-6

The Executive Officer provided an overview of the proposal, noting that this is the 17th in a series of planned annexations to the City of San Ramon. This annexation also includes the detachment of the area from CSA P-6. The subject area comprises 43.97± acres located directly south of Ivy Leaf Springs Road in the Dougherty Valley Specific Plan (DVSP) Area.

Commissioner Burke questioned the ongoing arrangement whereby the DVSP area remains in CSA M-29, and expressed concern regarding the financial arrangement between the City and the County and the timely transfer of money to fund City services. She offered to help staff research this.

Upon motion by Andersen, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, certified that it reviewed and considered the information contained in the EIR and CEQA documentation; approved the proposal known as Dougherty Valley Reorganization # 17: Annexation to City of San Ramon and Detachment from CSA P-6, with specified conditions; allowed the overlap of the City and CSA M-29; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is inhabited, received no objections; waived the protest proceeding, and directed staff to complete the proceeding.

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

Commissioner McGill departed at 2:32.

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

The Executive Officer reported that Contra Costa LAFCO recently received an application from CCCSD to annex property to both EBMUD and CCCSD in conjunction with the Faria Preserve West Reorganization. The project site is located in the City of San Ramon and was part of a previous proposal to this LAFCO. In 2009, LAFCO approved the annexation of what was then the entire parcel, including the subject property, to the City of San Ramon. The entire parcel, including this portion of the parcel, is within the City's voter approved UGB. However, in 2009, the Commission voted to exclude the subject area from the annexations to CCCSD and EBMUD given the area is outside the County's ULL, was designated open space and intended to house an EBMUD water tank, and there was no need for municipal water/sewer services to the area.

Recent project design revisions have resulted in the need to relocate approximately 17 townhouse units to a portion of the subject parcel, and municipal water and sewer services are now needed to serve these units.

Staff noted that in addition to State laws that govern boundary changes and the transfer of jurisdiction, 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 of Tatzin, second by Andersen, 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: Andersen (A), Blubaugh, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Glover (M), McGill (M)
ABSTAIN: none

12. FY 2016-17 First Quarter Budget Report

The Executive Officer reported that total revenues are at approximately 98% of projected revenues; expenditures at this time are at 14% of projected expenses. New applications are on par with FY 2015-16. Further, that no budget adjustments are needed at this time, and staff will continue to keep the Commission apprised of any budget issues.

Upon motion of Andersen, second by Tatzin, Commissioners, by a 6-0 vote, received the report.

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

13. 2016 GASB 45 Alternative Measurement Method (AMM) Report

The Executive Officer reported that in order to fund post-employment health benefits for its retirees and minimize future fiscal impacts to LAFCO, the Commission initiated a plan which includes: 1) funding future costs, 2) participating in a trust to hold the funds, and 3) conducting an actuarial valuation (every 2-3 years) to calculate the future liability for retiree healthcare and other post-employment benefits and the employer's annual contribution rate. It is recommended that LAFCO prepare an actuarial report to estimate future liability and annual contribution rates every 2-3 years. Given LAFCO's size, we prepare an AMM report in lieu of an actuarial valuation. Through LAFCO's participation in a consortium with CSDA and the California School Boards Association, Demsey Filliger & Associates LLC prepared LAFCO's AMM. LAFCO completed its first AMM report in 2014; this is the second AMM.

The report shows an Employer-Paid Accrued Liability of \$546,116, an unfunded accrued liability of \$463,815, and an annual required contribution of \$52,505. LAFCO has set aside funds for this liability starting in FY 2011-12. To date, LAFCO has accrued \$82,301 (including interest earned), which is held in the PARS trust account and reflected in the 2016 AMM report.

Upon motion of Tatzin, second by Blubaugh, Commissioners, by a 6-0 vote, received the report.

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

14. 2017 LAFCO Meeting Schedule

The Executive Director presented the 2017 meeting schedule, noting that no modifications were necessary and that all meetings will take place on the second Wednesday of each month.

Upon motion of Andersen, second by Skaredoff, Commissioners, by a 6-0 vote, received the report.

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

15. Correspondence from CCCERA

There were no comments on this item.

16. SDRMA Special Acknowledgment Awards 2015-16

Commissioners acknowledged the awards.

17. Commissioner Comments and Announcements

Commissioner Tatzin announced that because Commissioners' preferences for Versions 1 and 2 of the AOSPP were pretty evenly split, the committee is planning to present a Version 3 at the November meeting.

Commissioner Skaredoff noted that there was to be a forum titled "Living Creeks" at the Lafayette Veterans Hall that evening.

18. Staff Announcements

The Executive Officer reminded Commissioners that the Contra Costa Special Districts Association will hold its quarterly meeting on Monday, October 17.

There will be a protest hearing for LAFCO 13-08: Northeast Antioch Reorganization (Area 2A) on Monday, October 31.

The meeting adjourned at 2:43 p.m.

Final Minutes Approved by the Commission November 9, 2016.

AYES:
NOES:
ABSTAIN:
ABSENT:

By _____
Executive Officer