



## **NOTICE AND AGENDA FOR REGULAR MEETING**

DATE/TIME: Wednesday, December 14, 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.**

## **December 14, 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 November 9, 2016 regular LAFCO meeting

### **BUSINESS ITEMS**

6. *Castle Rock County Water District* - receive update regarding status of water service
7. *Agricultural & Open Space Preservation Policy (AOSPP)* - receive the updated AOSPP (Version 1) as approved by the Commission on November 9, 2016 and provide comments as desired
8. *West Contra Costa Healthcare District Special Study (WCCHD)* - receive the Final Draft WCCHD governance options study and provide input and direction
9. *Rollingwood Wilart Park Recreation and Park District (RWPRPD)* - receive an overview of the Public Review Draft RWPRPD governance options study and provide input
10. *Commissioner Terms* – informational item regarding Commissioner terms of office for 2017

### **CORRESPONDENCE**

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

### **INFORMATIONAL ITEMS**

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

### **CLOSED SESSION**

#### **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Executive Officer

#### **CONFERENCE WITH LABOR NEGOTIATOR**

Agency negotiator: Mary N. Piepho, LAFCO Chair

Unrepresented employee: Executive Officer

### **ADJOURNMENT**

*Next regular LAFCO meeting – January 11, 2017 at 1:30 p.m.*

LAFCO STAFF REPORTS AVAILABLE AT [http://www.contracostalafco.org/meeting\\_archive.htm](http://www.contracostalafco.org/meeting_archive.htm)

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
MINUTES OF MEETING

November 9, 2016

Board of Supervisors Chambers  
Martinez, CA

December 14, 2016  
Agenda Item 5

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 Federal Glover and Mary Piepho and Alternate Candace Andersen.  
Special District Members Mike McGill and Igor Skaredoff and Alternate Stanley Caldwell.  
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: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

5. Public Comments

There were no public comments.

6. Approval of October 12, 2016 Meeting Minutes

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

AYES: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

7. LAFCO 13-08 - Northeast Antioch Reorganization: (Area 2A): Annexations to the City of Antioch and Delta Diablo and Detachment from County Service Area P-6

The Executive Officer provided brief background on this proposal to annex 116± acres to the City of Antioch and Delta Diablo and concurrently detach the same area from CSA P-6. LAFCO received objections from property owners and registered voters in the area, which triggered a protest hearing.

Staff held the protest hearing on October 31. Both landowners and registered voters in the area filed written protests. Voter protests exceeded 50%; consequently the reorganization is terminated.

Commissioner McGill asked about the timing of the City's General Plan update and potential for the City to resubmit the application, given that the area is now an island. Forrest Ebbs with the City of Antioch responded that the General Plan update is a clean-up and will be completed in the next several months, and that he is not certain at this time regarding a resubmittal. Chair Piepho noted that LAFCO took action to correct the island, however, the affected landowners and voters rejected the proposal.

**DRAFT**

Upon motion of Blubaugh, second by Glover, Commissioners unanimously, by a 7-0 vote, received staff's recommendation and directed staff to execute the Certificate of Termination.

AYES: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

8. LAFCO 16-05 – Montreux Residential Subdivision Boundary Reorganization: Annexations to the City of Pittsburg, Contra Costa Water District (CCWD), and Delta Diablo Zone 2 (DD) and Detachment from County Service Area (CSA) P-6

The Executive Officer reported that as a result of the continuation of this item from the September LAFCO meeting, the developer, City of Pittsburg, Contra Costa County Fire Protection District (CCCFFPD) have reached agreement on the conditions as proposed.

This is a proposal submitted by the City of Pittsburg to annex 161± acres (four parcels) to the City, CCWD and DD and detach the same area from CSA P-6. Staff spoke to the factors that must be considered in the Commission's review, with emphasis on impacts to ag land and open space; housing; adequacy and availability of municipal services, notably fire services; regional transportation and growth plans (Plan Bay Area/PBA); and comments from affected agencies and other interested parties.

Of the 161± acres, 43± acres are currently dedicated as permanent open space.

Commissioner Blubaugh questioned the progress on the Community Facilities District (CFD) discussion between the City and CCCFFPD. **Joe Sbranti, City Manager, City of Pittsburg**, responded and confirmed that the CFD agreement, the first of its kind in this county, will provide \$75 per unit per year to CCCFFPD. He added that the City has a build out of 7,000 homes, and the \$75 per unit will add up.

In response to Chair Piepho's question regarding other fire amenities, Mr. Sbranti noted various fire suppression/protection features associated with the development project.

Mr. Sbranti responded to open space questions from Commissioners Tatzin and Skaredoff by deferring to the developer.

The Chair reopened the public hearing at this point.

**Louis Parsons, Discovery Builders**, confirmed the CFD agreement with CCCFFPD and outlined the details of their plans addressing fire impacts.

Mr. Parsons then explained the two parcels that will remain open space. The southern 43± acres (Parcel B) will be permanently protected by a recorded grant deed with the City that is a condition of LAFCO's approval. Another 30± acres (Parcel A) will hold a required water tank in the northern area and will be annexed into a Geological Hazard Abatement District (GHAD); while there will be a water tank and a road, the area is zoned as open space so there will be no development there. There is also a small (7± acres) area east of Kirker Pass Road that is part of the annexation and that will be impacted eventually by the Buchanan Road's bypass extension.

In response to Commissioner Skaredoff's question about the impacts on the prime agricultural land identified in the staff report, Mr. Parsons stated that the only reason there has been grazing on that land is for weed abatement, not for agricultural purposes. He does not agree that it is prime agricultural land.

Mr. Parsons responded to Commissioner Skaredoff on issues of compliance with Plan Bay Area (PBA) by stating that, noting that the pedestrian and bicycle connectivity mitigation measures are within the guidelines of the PBA.

Finally, Mr. Parsons stated his understanding and agreement to the conditions recommended in the LAFCO staff report.

**Juan Pablo Galván, Save Mount Diablo**, reiterated his organization's opposition to this project, and requested that if the Commissioners choose to go forward with the annexation, they ask that all 78± acres of open space that have been discussed today be permanently protected and codified in such a way that there is a guarantee that permanent protection will occur, through a conservation easement mechanism of some sort.

The Chair closed the public hearing.

Upon motion of Tatzin, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, found that it has reviewed and considered the information contained in the CEQA documentation; approved the proposal to be known as Montreux Residential Subdivision Boundary Reorganization: Annexations to the City of Pittsburg, CCWD, and DD Zone 2 and corresponding Detachment from CSA P-6, with specified conditions, including that the City of Pittsburg shall enter into a community facilities agreement with the CCCFPD to fund supplemental fire protection and emergency medical services, and that the developer and City shall provide LAFCO with a certified copy of a recorded grant deed of development rights that restricts development on the 78± acres (Parcels A and B) designated as Open Space, that will remain in effect until they are permanently preserved; 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.

9. 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, which was continued from the October LAFCO meeting due to the Commissioners' concern that the subject property is located in an island, and that annexation of the parcel would divide the island resulting in two smaller islands. Commissioners were also concerned that WCWD had not reached out to the surrounding landowners in the island area regarding possible annexation.

Since the October meeting, the District sent letters to the four surrounding property owners; only one responded with some interest in a future annexation. Additionally, the District Board indicated that they were not at this time interested in initiating a program of island cleanup, but would discuss the matter at a future Board meeting.

Commissioner Tatzin asked what the effect would be on the subject property of conditioning approval on LAFCO receiving an application for annexation of the remaining four parcels. Staff responded that it would depend on the speed with which WCWD could submit such an application.

**E.J. Shalaby, WCWD Manager**, reported that they brought this matter to the Board of Directors, but would be unable to submit an additional application quickly enough for Mr. Ortega to move forward on his project without losing his current permits.

In response to Commissioner Blubaugh's question, Mr. Shalaby confirmed that the WCWD staff brought LAFCO's annexation request to the Board, and that they agree that if a parcel that comes forward for annexation has contiguous un-annexed parcels, the Board will look at annexation of the surrounding area.

Commissioners encouraged Mr. Shalaby to continue to work toward this, and thanked Ken Deibert for the time he spent on this issue at the October meeting.

**Michael Savannah, WCWD**, stated that he was in attendance to answer questions about this application if needed.

The Chair closed the public hearing.

Upon motion by Skaredoff, second by Glover, Commissioners, by a 7-0 vote, determined that the project is exempt pursuant to CEQA Guidelines, Section 15061(b)(3); approved the proposal to be known as West County Wastewater District Annexation No. 315, with specified conditions; 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: Blubaugh, Glover McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

10. Agricultural & Open Space Preservation Policy (AOSPP)

Commissioner Tatzin reported that at the September LAFCO meeting Commissioners were presented with two versions of the AOSPP, which has been under discussion for the past 18 months or so. Version 1 asked the applicants to propose mitigation measures and provide an assessment of the effectiveness of that mitigation; the Commission would then determine if proposed mitigations were sufficient or whether other mitigations were required. Version 2 was an alternative where the policy contained strongly recommended mitigations; if the applicant wanted to propose alternatives to those, they could provide an analysis as to why the alternative mitigations were appropriate.

When the Commissioners discussed this in September, two issues arose: one was that Commissioners wanted a better understanding of the environmental review requirements of the two versions, also, that Commissioners seemed almost evenly split on their preferences for the two versions.

As a result, in an effort to get broader support from the Commissioners on a single version, the Committee developed Version 3, incorporating portions that people liked from Versions 1 and 2.

Version 3 allows applicants to propose mitigation measures, and in their assessments they would include comparisons of the effectiveness of their proposal against an example set of mitigations that would be provided but not required. Other updates include example mitigation for open space lands based on federal and state agencies' science-based guidelines rather than suggested ratios. The Committee also, at the Commission's request, added a provision whereby the policy would be reviewed by the Commission within one year after adoption. If the Commission chooses to adopt this version, one of the things still needed is to set the ratios outlined in Guideline 3 (simply taken from Version 2) and a few minor edits.

Commissioner Tatzin added that LAFCO Counsel would address the requested CEQA analysis.

LAFCO Counsel Sharon Anderson noted that LAFCO has broad authority to establish policies to carry out its obligations to discourage urban sprawl, preserve open space and prime ag lands, and obtain and furnish information that will contribute to the logical and reasonable development of local agencies. Obligations with regard to preservation of open space include adopting standards for evaluating the effect of the proposal on maintaining the physical and economic integrity of ag lands, which you must consider in your review. LAFCO also must guide development away from prime agricultural lands, unless doing so would not promote orderly development. LAFCO must encourage the development of vacant or non-prime agricultural lands within a local agency's jurisdiction before open spaces outside the local agency's jurisdiction are developed. When LAFCO looks at a project those are pretty big mandates to consider. What has been done in this policy is to establish a framework for following these statutory mandates. This policy does not appear to be a project under CEQA because it does not change the environment. It merely sets up a framework within LAFCO's existing statutory powers, and it is not part of a project. When specific projects come before LAFCO that is when a real CEQA review will be done regarding where the policy will apply to those specific projects.

Commissioner McGill thanked Counsel Anderson for her very helpful analysis.

The Chair thanked the Committee (Commissioners Tatzin and Burke) for the work they have done for the past many months, and opened the floor to public comment.

**Erick Stonebarger, City of Brentwood Councilmember**, applauded LAFCO for developing a policy. He noted that the Brentwood agricultural mitigation policy, established about 16 years ago, has to date collected around \$12 million, paid out approximately \$10 million, and has conserved about 1,000 acres of ag core land, with two elements: conservation/easement and enterprise (creating value with commodity agriculture).

The City is concerned about the mitigation and buffering recommendations in Version 2, and encourages Commissioners to adopt Version 1. They believe it's important to have a mitigation component.

Chair Piepho thanked Mr. Stonebarger for speaking and referenced a letter from farm families including his own. Mr. Stonebarger responded that most of the signers were in attendance and they represent about 7,500 of the 15,000 acres in the ag core.

Chair Piepho also thanked the City of Brentwood for its work on ag preservation.

In response to Commissioner Skaredoff's question about City-established buffers, Mr. Stonebarger gave a brief account of the various buffers, and added that what's important is allowing local jurisdictions' control over what they think is best for the community in different areas.

The Chair reminded all that the policy as developed by LAFCO places the responsibility of creating a buffer on the developer, not on the farmer.

**Joe Sbranti, City Manager, City of Pittsburg**, referenced the letter he sent earlier, and asked that the LAFCO policy provide that "special considerations be provided when conversions of ag lands are for public use and/or required to serve the public." There are any number of public uses that ag land may need to be used for, and there may be an unintended consequences to infrastructure that would prevent a jurisdiction from developing a project.

The Chair asked for clarification on which version Mr. Sbranti wished that insertion to be made; he indicated that he would like to see it in whichever version is adopted.

Commissioner Tatzin asked staff if there are items in the LAFCO law that would address Mr. Sbranti's concerns. The Executive Officer responded that consideration of the conversion of ag and open space land is only one of 16 different factors to be considered in reviewing an application. Further, there are provisions that apply to the strictest type of ag land, which is that covered under a Williamson Act land contract; those are Govt. Code Sects. 56856.5 and 56426.6, and they basically say that the Commission can allow for conversion of land, even under the Williamson Act contract, provided certain things are demonstrated, and one of those things is the public interest.

Mr. Sbranti expressed his appreciation for this, but added that he would still like to see as strong a statement as possible in the final policy.

**Forrest Ebbs, City of Antioch Community Development Director**, stated that the City of Antioch has not been very involved in this process. Antioch is going to be an infill city before long, so they're very supportive of whatever LAFCO develops.

**John Viano, Contra Costa Farm Bureau**, and a fourth-generation farmer in the County, applauded LAFCO's efforts and asked that there be more flexibility in the policy. He asked that LAFCO not make the last ag lands bear the burden for already-converted ag lands. There are numerous restrictions placed on farm land by local jurisdictions and state and federal agencies, most of which don't distinguish between farm land and other land. More than a 1:1 ratio is excessive. It would be best if LAFCO can take these applications case by case.

**Mark Dwelley, Brentwood Farmer**, stated that he was taken aback by the guidelines in Version 3, especially the 3:1 mitigation ratio and the 300' buffer. The average parcel size of land in the ag core is

about 20 acres. The guidelines in Version 3 would greatly devalue those parcels along the urban edge. Farming is costly, and farmers need borrowing power, of which the land is a prime component. Without the borrowing power, farming would be virtually impossible. Mr. Dwelley, along with a number of other area farmers, was involved in the development of the Brentwood program, and he encouraged Commissioners to adopt Version 1, with a 1:1 mitigation ratio and giving the local jurisdictions the power to design their own buffers. He also asked that if changes are made to the policy, farmers be given a place at the table.

The Chair asked Commissioner Tatzin if the Committee had reached out to the farmers. Commissioner Tatzin briefly gave a list of meetings and those who had been invited to participate in discussions on this policy, and reiterated that they had met with anyone who wanted to provide input. He added that Version 3 does not require a specific set of mitigations, and he apologizes if anyone has misconstrued that.

**Richard Fischer, Tassajara Valley Preservation Association**, spoke briefly about the Tassajara Parks project being proposed for an area outside the Urban Limit Line (ULL).

The Chair asked Mr. Fischer if he had any specific comments on the AOSPP (he did not), and reminded him that he is welcome to speak to his topic under public comment at any time.

**Linus Eukel, John Muir Land Trust (JMLT)**, thanked the Committee and staff for their work on the AOSPP and referred to his organization's support for Version 2 in September. While Version 3 allows for applicant-proposed mitigation, it is driven by a mitigation hierarchy and includes clear strong guidelines for open space ratios and qualified mitigation measures. If followed, JMLT supports Version 3 with a one-year review to determine its efficacy.

**Gretchen Logue** presented a handout and spoke about what people need—which is food—and what is needed to provide food for each person; her calculations indicate that there is no scenario for farmland preservation that will save enough agricultural land to feed the growing population. She stated that the AOSPP mitigation ratios are not adequate, and that the Commission needs to preserve *all* prime agricultural and open space land to ensure a healthy environment for all residents.

The Chair reminded Ms. Logue that the County's voters adopted a ULL that preserves 65% of the County's area in ag and open space; only 35% is developable and we're not near that limit yet.

**Holly Newman** is concerned with certain wording in Version 3. She believes that the words "shall" or "must," indicating strong requirements, should be used throughout, rather than "should," which implies options. Also, the first sentence of Guideline 4 should state that the following mitigation measures are *examples* of measures that can be proposed by the applicant.

**Bill Newman**, who lives in Tassajara Valley, stated that he does not want to be surrounded by "urban mess," so he would like to see the Commission keep agricultural lands consolidated and together as long as it can.

**Lesley Hunt, Friends of the Creeks**, believes that the ag policy being considered is the mirror image of the ULL, which raised the bar for urban expansion. She believes that the AOSPP deserves the same kind of consideration and protection. Friends of the Creeks prefers Version 2, but appreciates the flexibility of Version 3; the organization would not like to see a return to Version 1.

**Michael Stonebarger, Brentwood farmer and a signer of the farmers' letter**, stressed that the letter's signers represent 7,500 acres of agricultural land. They feel that the proposed mitigation of 3:1 is aggressive and unreasonable; they prefer 1:1. Additionally, a 300' buffer would reduce farm land drastically. He and his colleagues recommend following the lead of the Brentwood policy. They prefer Version 1.

**Lisa Vorderbrueggen, BIA/Bay Area**, stated that the BIA can accept Version 1 as proposed, and appreciates the modified language. They see Versions 2 and 3 would likely be subject to CEQA questions. They see that Version 1 fully recognizes the importance and significance of the local



negotiations among a jurisdiction, a landowner, and a developer. To do otherwise is to make production of housing more expensive, time-consuming, and leaves fewer places for our children and grandchildren to live. They support the adoption of Version 1.

**Joel deValcourt, Greenbelt Alliance (GA)**, stated that this policy has been in development for more than a year and has received input from nearly 100 public commenters in support of a strong policy. GA believes that Version 2 is the right direction, and urges adoption of that with the addition of mitigation measures from Version 3 (3:1 for prime ag, 2:1 for non-prime ag, and open space set by federal and state agencies). For each additional mitigation increment more land is protected in Contra Costa and more investment is made into the continued success of farming and ranching and other types of farming enterprise. Mitigating 1:1 is a net loss of agriculture and allows for continued hemorrhaging of farm land in Contra Costa, which is some of the best in the state. If there are additional CEQA concerns, GA recommends making modifications necessary to avoid CEQA analysis at the present time. Mr. deValcourt urges Commissioners to adopt Version 2.

**Juan Pablo Galván, Save Mount Diablo (SMD)**, expressed SMD's appreciation of the Committee's and the Commissioners' work on the AOSPP. They still prefer Version 2, but Version 3 is an improvement over Version 1.

Commissioner Tatzin thanked everyone for their input and stated that they tried to address concerns in Version 3, and the example mitigation is exactly that. In response to the question about the 3:1 ratio, that came from Stanislaus LAFCO. Some have 2:1 and some have 1:1. This would be the first LAFCO to base open space mitigation on federal and state science-based guidelines. Version 3 covers the range and diversity of buffers, and can certainly be changed

Chair Piepho expressed her wish to ensure that a one-year review be part of approval; this is a document that lives and breathes. She would prefer that the Commission start slowly with Version 1, knowing that as it is implemented, weaknesses and strengths will be identified for modifications as it moves forward. She is concerned about the economic impact to County voters (housing affordability) and to the agricultural community. She believes that ongoing input from all of the affected communities (environmental, agricultural, development, agencies) during the year is important.

Commissioner Glover confirmed his preference for Version 1. He believes it provides an opportunity to come back in a year and see what the impacts are at that time.

Commissioner McGill wants to go forward with something. It's important that this LAFCO develop its own policy under the charge from CKH. There is a huge housing crisis here with a shortage of homes, distant locations of homes with horrendous commutes, and high prices of homes. Thus, we're getting proposed legislation from Sacramento that may not have directly to do with LAFCO, but could result in no local review. He would like to make the AOSPP simple and orderly and able to promote more certainty within the ULL. Negotiations and EIRs can take years, which partly leads to the housing crisis.

Commissioner McGill noted his surprise that LAFCO is still getting fresh input, and is concerned that Brentwood and Oakley are not yet getting to the point of being infill cities. Communities need to get to a point that they've decided what they want to have and then stay inside that urban limit line, and he thinks LAFCO's policies need to support that. He prefers Version 1 with the edits that were provided by Bobby Glover (BIA) related to the purpose of the policy, and the addition suggested by Pittsburg City Manager Joe Sbranti ("special consideration shall be provided where conversions of prime ag lands, ag lands or open space lands for public use or benefit are required to serve the public"). He would like a one-year review as well. Commissioner Burke confirmed that the suggested language from BIA has been incorporated into Version 1. Finally, he would also like to see LAFCO do a Notice of Exemption.

Chair Piepho emphasized that in the one-year review, Versions 2 and 3 should come back to the table for consideration of beefing up Version 1 after seeing where there might be weaknesses.

Commissioner Skaredoff congratulated the Committee members for their diligence and stamina and expressed his admiration for the progress made with Version 3. He pointed out that the admired properties in Version 1 are also in Version 3. Additionally, Version 3 provides the framework that can help reduce uncertainty and increase predictability and give applicants examples from which to draw. Version 3 facilitates the process. Anything that can help to reduce the number of false starts and redos in the process would be beneficial. He feels that Version 3 is not more restrictive than Version 1, and it does not constrain applicants. He prefers Version 3.

Commissioner Schroder also thanked Commissioners Burke and Tatzin for their work. He appreciates the agricultural community's input, especially those from the Brentwood area, which this policy directly affects. He does not want to tie farmers' hands. He still supports Version 1, with a review in one year.

Commissioner Blubaugh agreed with Commissioner Skaredoff, and he thought that Version 3 was a good blend of Versions 1 and 2. He has always advocated for letting people know what's expected of them rather than leaving it open and requiring people to go back to the drawing board. If there will be a review in one year—although he believes it will be more difficult to strengthen it at that point—he will support Version 1 rather than Version 3.

Commissioner Andersen indicated her agreement with selecting Version 1. She feels that it is important to retain the ability of each local jurisdiction to work that out within their own elected council or board as to how they want to approach the mitigation. She looks forward to a review in a year when they can revisit it again.

Commissioner Caldwell expressed his preference for Version 1 as a good place to start, with a review in a year.

Commissioner Burke thought that Version 3 was a good balancing of both Versions 1 and 2, but would reiterate what the Executive Officer has pointed out often: This is only one of 16 factors to be considered when reviewing an application, so she is supportive of Version 1.

Commissioner Tatzin stated that he would be happy moving forward with *something* at this point. Version 3 was an attempt to deal with the uncertainty in Version 1. Version 1 is better than no policy. He would like Commissioners' leeway to review Pittsburg's suggestion for compliance with CKH law before just incorporating it.

Upon motion of Tatzin, second by McGill, Commissioners unanimously, by a 7-0 vote, adopted Version 1 of the Agricultural and Open Space Preservation Policy and directed the Committee to work with the Executive Officer to incorporate the changes as suggested by the Building Industry Association of the Bay Area and the City of Pittsburg, with other minor edits, and with a one-year review added; directed staff to file a Notice of Exemption pursuant to Cal. Code Regs., tit. 14, §15378(b)(2) and Cal. Code Regs., tit. 14, §15061(b)(3); and directed staff to bring the final adopted version with changes back to the Commission's December 14 meeting.

AYES: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

11. Proposed Amendment to LAFCO Employee Benefit Plan

The Executive Officer provided brief background on the LAFCO employee benefit plan currently in place through the County for the two LAFCO employees, and added that the County Human Resources Department had recently contacted the office with information regarding new benefits programs, including a new vision plan, which can be made available to LAFCO employees in 2017. This plan is 100% employee paid, with no cost to the employer.

Upon motion by Tatzin, second by Blubaugh, Commissioners by a 7-0 vote unanimously approved the amendment of the LAFCO Employee Benefit Plan to include the new vision plan.

AYES: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: none  
ABSTAIN: none

12. Correspondence from CCCERA

There were no comments on this item.

13. SDRMA Special Acknowledgment Awards 2015-16

Commissioners acknowledged the awards.

14. Commissioner Comments and Announcements

Chair Piepho noted Commissioner Tatzin's award for Outstanding Commissioner at the recent CALAFCO Annual Conference, Commissioner McGill's reelection to another two-year term on the CALAFCO Board of Directors, and the third-place tie won by a Contra Costa County syrah and thanked the Contra Costa winegrowers for their contribution. Commissioner McGill added that he also was elected Treasurer by the CALAFCO Board of Directors.

Commissioner McGill announced that he attended the CALAFCO Legislative Committee meeting on November 4, and will participate in the CALAFCO Board meeting in Sacramento on December 9 and the CALAFCO Legislative Committee meeting in San Diego on December 16.

Commissioner Skaredoff reported that he and Executive Officer Teixeira will be participating in the annual conference for resource conservation districts on November 18.

15. Staff Announcements

The Executive Officer drew the Commission's attention to the CALAFCO Annual Conference Summary and Senate Governance & Finance Committee Legislative Wrap-up included with the agenda packet.

She reported that she attended a stakeholders' meeting on the Urban Limit Line (ULL), and that the County will be holding three public meetings on this in the next week. She added that some time ago she had spoken at a County Board of Supervisors meeting asking that in the process of reviewing the ULL they review the islands and split parcels created by the current ULL; however, is uncertain that will be included in the County's review. The Chair asked the Executive Officer to send a letter to the Department of Conservation and Development regarding this.

The meeting adjourned at 4:07 p.m.

Final Minutes Approved by the Commission December 14, 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 <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

December 14, 2016 (Agenda)

December 14, 2016  
Agenda Item 6

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 2<sup>nd</sup> 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) was one of the districts covered in the MSR.

The MSR noted 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.

## UPDATE

The 2014 MSR included a number of observations and recommendations for CRCWD, relating to governance/transparency, infrastructure, and finances. In conjunction with the MSR, LAFCO adopted a zero SOI which signals a future reorganization (e.g., consolidation with CCWD, dissolution, etc.). Further, the Commission requested an update from CRCWD regarding issues identified in the MSR, along with additional information relating to water quality, testing/treatment and monitoring, water conservation efforts, board succession plan, and cautionary signage (untreated water use).

In March 2016, the CRCWD provided a comprehensive update to the Commission addressing many of the issues identified in the MSR. In summary, the District reported the following:

- The CRCWD has established a website ([www.crcwd](http://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). Briefly, the assessment included 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 to address the weaknesses in the District’s 60 year system. The District reports that the estimated cost to refurbish the system far exceeds CRCWD’s reserves. The District is exploring possible financing for infrastructure refurbishment. In the interim, CRCWD is continuing its operations with repairs/replacement on an as-needed basis.
- CRCWD has a limited budget. The District 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 the FY 2014-15 financial statements, the District’s total operating expenses were \$80,423, operating and non-operating revenues were \$71,094, and net position at the end of FY 2014-15 was \$155,151.

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 remaining 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.

In conjunction with the update in March 2016, the Commission expressed ongoing concern regarding the 10 remaining water customers that rely on CRCWD as their primary water source. LAFCO recommended that CRCWD and CCWD work together to develop a treated water connection plan and financing structure for these 10 households to enable them to receive treated water through CCWD. The Commission also reiterated its support for consolidating CRCWD and CCWD. Finally, the Commission requested an update in six months.

We understand that several meetings between CCWD and CRCWD members have occurred and that a draft agreement has been developed. CCWD is currently in direct negotiations with the 10 homeowners. The draft agreement includes cost reductions for the homeowners, recognizing that efficiencies would be realized if all 10 homeowners agree to sign up for service. CCWD is also willing to offer financing options for the connection costs. At this time, six of the 10 homeowners have indicated a desire to receive CCWD treated water. Representatives from CRCWD and CCWD will provide additional information at the December 14, 2016 LAFCO meeting.

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

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachments:

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



Lou Ann Texeira  
 Executive Officer

**MEMBERS**

Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
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**ALTERNATE MEMBERS**

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

December 14, 2016  
 Agenda Item 7

December 14, 2016 (Agenda)

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

**LAFCO Agricultural & Open Space Preservation Policy**

Dear Commissioners:

The Policies and Procedures Committee appreciates the Commission’s decision in November to adopt the Agricultural & Open Space Preservation Policy (AOSPP). A copy of the adopted policy (previously called “Version 1”) including the changes discussed at the November meeting and those outlined in this report is attached.

Upon subsequent review, the Committee requests that the Commission consider two additional modifications to the policy that reflect changes to the draft policy between September and November. These provisions appear as “examples” in Version 3 Guideline 3(b); therefore, an applicant is not required to include them in an application and the Commission is not bound by the examples. The added text simply provides additional ideas for an applicant and LAFCO to consider.

9. *Protect open space lands utilizing science-based impact analysis methods approved by appropriate California State and federal agencies, for example, regarding biological resources.*

10. *Adopt a “Right to Farm” agreement that shall be included in the title of the land and in any subdivision thereof when an application proposes to convert prime agricultural and agricultural lands to other uses and is adjacent to prime agricultural and agricultural lands. Contra Costa County has a Right to Farm ordinance which requires notification of purchasers and users of property adjacent to or near agricultural operations of the inherent potential problems associated with such purchase or residential use.*

Finally, the Committee recommends deleting a phrase in the first example mitigation in Guideline 3(b).

1. Acquisition or dedication of prime agricultural and agricultural land (e.g., substitution ratio of at least 1:1 for the prime agricultural land annexed), development rights, ~~bringing qualified land into an open space plan,~~ open space and agricultural conservation easements to permanently protect adjacent or other prime agricultural, agricultural and/or open space lands within the county. Any land previously protected should not be used as the mitigation for any other project.

Once again, the Committee appreciates the Commission's prior approval of the AOSPP, and the valuable participation by stakeholders and interested parties throughout the course.

**RECOMMENDATIONS:** The Committee and LAFCO staff recommend that the Commission approve the refinements as proposed.

Respectfully submitted,

*Sharon Burke and Don Tatzin*

c: Distribution

Attached – Agricultural & Open Space Preservation Policy - Final Version - Tracked Changes



#### 4.1 ~~DRAFT~~ AGRICULTURAL AND OPEN SPACE PRESERVATION POLICY—VERSION 1

##### PREFACE

LAFCO's enabling and guiding legislation, the Cortese Knox Hertzberg (CKH) Act, begins with the following statement.

“The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.” (§56001)

Beginning in the late 1800s, farmers and ranchers made Contra Costa County an important source of agricultural products. Much of the County has good soils, a mild climate, and adequate water. Western and central Contra Costa were used for agriculture well into the twentieth century. John Muir farmed and ranched approximately 2,600 acres in what is now Martinez, Concord, and the Alhambra Valley. While the County's population was increasing, by current standards, the County's population was small. The 1910 census recorded 31,764 residents, less than the 2015 population of Pleasant Hill.

Development, which began in earnest after World War II, transformed Contra Costa County. As urban and suburban development occurred, Contra Costa County experienced significant reduction in the amount and relevant economic importance of agricultural lands. Simultaneously, critical open space habitat for sensitive species declined. By 2010, the Census reported that Contra Costa had 1,049,025 people, representing 3,300% growth since 1910. Contra Costa County's 2040 population is forecast to be 1,338,400.

As a result of population and job growth, agricultural land was converted to houses, schools, commercial centers, job centers, and transportation corridors. In 2015, there were about 30,000 acres of active agricultural land in Contra Costa County, excluding rangeland and pastureland, most of it located in the eastern portion of the County. There are approximately 175,000 acres of rangeland and pastureland in the County.<sup>1</sup>

Agriculture in Contra Costa County is worth approximately \$128.5 million (farm production value) in 2015 and is an important economic sector. The value of agricultural production has risen in recent years.<sup>2</sup> However, some worry that Contra Costa's agricultural industry may approach a tipping point beyond which agriculture becomes less viable due to a lack of labor, suppliers, and processors located nearby.<sup>3</sup>

The pressure on agricultural land also extends to wildlife and riparian areas. In some cases, conversion of these lands through development disrupts an ecosystem that used to depend on the now developed land as a travel route, or a seasonal or permanent source of food and water.

The County and some cities are active in efforts to preserve agricultural and open space lands. For example, in the 1970s, the County created a County Agricultural Core to the east and south of Brentwood.

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<sup>1</sup> 2015 Crop and Livestock Report, Contra Costa County Agricultural Commissioner

<sup>2</sup> 2008-2015 Crop and Livestock Reports, Contra Costa County Agricultural Commissioner

<sup>3</sup> Sustaining our Agricultural Bounty: An Assessment of the Current State of Farming and Ranching in the San Francisco Bay Area – A white paper by the American Farmland Trust, Greenbelt Alliance and Sustainable Agriculture Education (SAGE), January 2011

The City of Brentwood has an agricultural mitigation program that collected more than \$12 million in mitigation fees; and through conservation organizations, ~~and~~ acquired the development rights over approximately 1,000 acres of agricultural lands. In 2006, the voters adopted Urban Limit Lines (ULLs) for the County and each municipality, and these actions helped protect undeveloped land outside the ULLs. Furthermore, the County adopted the East Contra Costa County Habitat Conservation Plan/Natural Community Conservation Plan (ECCCHCP/NCCP) that protects sensitive habitat for plants and animals in East Contra Costa.

LAFCO embraces its objectives of encouraging orderly growth and development while discouraging urban sprawl, efficiently extending government services, and preserving open space and prime agricultural lands. Through the review and approval or denial process of boundary changes and other applications, LAFCO has considerable authority to provide for the preservation of open space and agricultural land, and impose terms and conditions. (§§56885 -56890).

While LAFCO has authority to achieve the objectives of the CKH Act, there are things that LAFCO cannot do, for example, directly regulate land use.<sup>4</sup> LAFCO defers to agencies that have land use planning authority. Therefore, successful preservation of prime agricultural, agricultural and open space lands and of agriculture as a business requires that both applicants and other agencies also lead. At the end of this policy are observations about other opportunities facing residents, advocacy organizations, and governmental agencies that could also strengthen and preserve agriculture and open space lands.

Contra Costa LAFCO adopted this policy on November 9, 2016 and agreed to review the policy in one year.

#### **AUTHORITY OF LAFCO**

LAFCO's authority derives from the CKH Act. Among the purposes of LAFCO are to encourage planned, orderly, and efficient urban development while at the same time giving appropriate consideration to the preservation of prime agricultural, agricultural and open space 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. Among these provisions is §56377 which describes the intent of the legislation with regard to agricultural lands:

“**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.”

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<sup>4</sup> “A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements” [§§56375(6), 56886].

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 or farmland security zone unless certain conditions exist (§§56426 and 56426.5).

When making a decision, LAFCO must consider whether an application and its effects conform to both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Sections 56377 and 56668(d). ~~Finally~~, LAFCO must consider the effect of an application on maintaining the physical and economic integrity of agricultural lands [§56668 (e)]. LAFCO may also consider whether the public good served by a proposal outweighs the purposes of LAFCO policies.

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An application 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 Agricultural and Open Space Preservation Policy.

### **PURPOSE OF THE POLICY**

The purpose of this policy is threefold: 1) to provide guidance to the applicant on how to assess the impacts on prime agricultural, agricultural and open space lands of applications submitted to LAFCO, and enable the applicant to explain how the applicant intends to mitigate those impacts; 2) to provide a framework for LAFCO to evaluate and process in a consistent manner, applications before LAFCO that involve or impact prime agricultural, agricultural and/or open space lands; and 3) to explain to the public how LAFCO will evaluate and assess applications that affect prime agricultural, agricultural and/or open space lands.

### **DEFINITIONS**

Several terms are important in understanding LAFCO's responsibility and authority to preserve prime agricultural, agricultural and open space lands. 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 (i.e., Native American Historical, Cultural and Sacred Sites).

## **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 commissioners and staff need to evaluate an application that affects prime agricultural, agricultural and/or open space lands.

### **GOALS**

Agriculture and open space are vital and essential to Contra Costa County's 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. Open space lands provide the region with invaluable public benefits for all who visit, live and work in Contra

Costa County. The following goals will help guide LAFCO’s decisions regarding prime agricultural, agricultural and open space lands.

**Goal 1.** Minimize the conversion of prime agricultural land and open space land to other land uses while balancing the need to ensure orderly growth and development and the efficient provision of services.<sup>5</sup>

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

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

**Goal 4.** Strengthen and support the agricultural sector of the economy.

**Goal 5.** Fully consider the impacts an application will have on existing prime agricultural, agricultural and open space lands.

**Goal 6.** Preserve 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 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 (“applications”), shall provide for planned, well-ordered, efficient urban development patterns with appropriate consideration to preserving open space, agricultural and prime agricultural lands within those patterns. LAFCO’s Agricultural and Open Space Preservation Policy provides for a mitigation hierarchy which 1) encourages avoidance of impacts to prime agricultural, agricultural and open space lands, 2) minimizes impacts to these lands, and 3) mitigates impacts that cannot be avoided while pursuing orderly growth and development.

The following policies support the goals stated above and will be used by Contra Costa LAFCO when considering an application that involves prime agricultural, agricultural and/or open space lands:

**Policy 1.** The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan, Specific Plans and SOI areas, and that encourage preservation of prime agricultural, agricultural and open space lands in a manner that is consistent with LAFCO’s policy.

**Policy 2.** Vacant land within urban areas should be developed before prime agricultural, agricultural and/or open space land is annexed for non-agricultural and non-open space purposes.<sup>6</sup>

**Policy 3.** Land substantially surrounded by existing jurisdictional boundaries (e.g., islands) should be annexed before other lands.

**Policy 4.** Where feasible, and consistent with LAFCO policies, non-prime agricultural land should be annexed before prime agricultural land.

**Policy 5.** While annexation of prime agricultural ~~lands~~, agricultural ~~lands~~ and open space lands is not prohibited, annexation of these areas for urban development is not encouraged if there are ~~in general,~~

<sup>5</sup> *In minimizing the conversion of open space land, the Commission may give lower priority to rangeland as defined per Public Resources Code 4789.2(i)-65560.b.2.*

<sup>6</sup> *The Commission recognizes there may be instances in which vacant land is planned to be used in a manner that is important to the orderly and efficient long-term development of the county and land use agency and that differs from the proposed use of the area in an application to LAFCO. LAFCO will consider such situations on a case-by-case basis.*

~~urban development should be discouraged in these areas. For example, agricultural land should not be annexed for non-agricultural or non-open space purposes when~~ feasible alternatives exist that allow for orderly and efficient growth. Large lot rural development that places pressure on a jurisdiction to provide services, and causes agricultural areas to be infeasible for farming or agricultural business, is discouraged.

**Policy 6.** 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 and/or local right to farm ordinances should be established to promote this policy. Contra Costa County has a Right to Farm ordinance which requires notification of purchasers and users of property adjacent to or near agricultural operations of the inherent potential problems associated with such purchase or residential use.

**Policy 7.** Development near agricultural land should minimize adverse impacts to agricultural operations.

**Policy 8.** Development near open space should minimize adverse impacts to open space uses.

**Policy 9.** The Commission will consider feasible mitigation (found in the following guidelines) if an application would result in the loss of prime agricultural, agricultural and/or open space lands.

**Policy 10.** Any mitigations that are conditions of LAFCO's approval of an application should occur close to the location of the impact and within Contra Costa County.

## **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, ranchers and other stakeholders with regard to LAFCO's expectations in reviewing an application that involves prime agricultural, agricultural and/or open space lands; and to provide sample mitigation measures.

**Guideline 1.** Applications submitted to LAFCO involving prime agricultural, agricultural and/or open space lands shall include an Agricultural and Open Space Impact Assessment. At a minimum the following shall be addressed as part of the assessment:

- a. An application must discuss how it balances the State's interest in preserving prime agricultural and/or open space lands against the need for orderly development (§56001).
- b. An application must discuss its effect on maintaining the physical and economic integrity of agricultural lands [§56668 (e)].
- c. An application 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. An application must describe whether, and if so, how it guides development away from prime agricultural, agricultural and/or open space lands.
- e. An application must describe whether, and if so, 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. An application must discuss what measures it contains that will preserve the physical and economic integrity of adjacent prime agricultural, agricultural and/or open space land uses.

**Guideline 2.** If an application involves a loss of prime agricultural, agricultural and/or open space lands, property owners, cities and towns, the county, special districts, and other agricultural and open space conservation agencies should work together as early in the process as possible to either modify the application to avoid impacts or to adequately mitigate the impacts.

**Guideline 3.** The following factors should be considered for an annexation of prime agricultural, agricultural and/or open space lands:

- a. The applicant should reference and include a land use inventory that indicates the amount of available land within the subject jurisdiction for the proposed land use. The land use inventory may be one that has been prepared by the applicable land use agency.
- b. The applicant should provide an evaluation of the effectiveness of measures proposed by the applicant to mitigate the loss of prime agricultural, agricultural and/or open space lands, and to preserve adjoining lands for prime agricultural, agricultural and/or open space use to prevent their premature conversion to other uses. Examples of such measures include, but are not limited to:
  1. Acquisition or dedication of prime agricultural and agricultural land (e.g., substitution ratio of at least 1:1 for the prime agricultural land annexed), development rights, ~~bringing qualified land into an open space plan~~, open space and agricultural conservation easements to permanently protect adjacent or other prime agricultural, agricultural and/or open space lands within the county. Any land previously protected should not be used as the mitigation for any other project.
  2. Participation in other local development programs that direct development towards urban areas in the county (such as transfer or purchase of development credits).
  3. Payment to local government agencies and/or recognized non-profit organizations working in Contra Costa County for the purpose of preserving prime agricultural, agricultural and/or open space lands; payment should be sufficient to fully fund the acquisition, dedication, restoration and maintenance of land which is of equal or better quality.
  4. Establishment of buffers of at least 300 feet to protect adjacent prime agricultural, agricultural and/or open space lands from the effects of development. Such buffers may be permanent, temporary, or rolling, and may take many forms (e.g., easements, dedications, appropriate zoning, streets, parks, etc.).
  5. Where applicable, compliance with the provisions of the ECCCHCP/NCCP or a similar plan enacted by the County, cities or another regional, state or federal permitting agency.
  6. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural and agricultural lands at a minimum 1:1 ratio.
  7. Participation in an advanced mitigation plan for prime agricultural, agricultural and/or open space lands.
  8. Participation in measures to promote and/or enhance the viability of prime agricultural and agricultural lands and the agricultural industry in Contra Costa County.
  9. Protect open space lands utilizing science-based impact analysis methods approved by appropriate California State and federal agencies, for example, regarding biological resources.
  10. Adopt a "Right to Farm" agreement that shall be included in the title of the land and in any subdivision thereof when an application proposes to convert prime agricultural and agricultural lands to other uses and is adjacent to prime agricultural and agricultural lands. Contra Costa County has a Right to Farm ordinance which requires notification of purchasers and users of property adjacent to or near agricultural operations of the inherent potential problems associated with such purchase or residential use.

**Guideline 4.** Detachment of prime agricultural, agricultural and/or open space lands should be encouraged if consistent with the SOI for that agency.

**Guideline 5.** 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, cancellation 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.

**Guideline 6.** Property owners of prime agricultural and agricultural lands adjacent to land that is the subject of a LAFCO application shall be notified when an application is submitted to LAFCO.

**Guideline 7.** Regarding the timing and fulfillment of mitigation, if the mitigation measure is not in place prior to LAFCO's approval, the responsible entity (e.g., government agency, recognized non-profit organization) should provide LAFCO with information as to how the entity will ensure that the mitigation is provided at the appropriate time. Following LAFCO's approval, the responsible entity should provide LAFCO with an annual update on the status of agricultural mitigation fulfillment until the mitigation commitment is fulfilled.

#### **OBSERVATIONS**

LAFCO identified other actions that are not within its purview but that if followed could reduce the impacts of new development on prime agricultural, agricultural, and open space lands. These are provided here so that applicants, other governmental agencies, advocacy organizations, and the public might consider them.

**Observation 1.** LAFCO will evaluate all applications that are submitted and complete. However, LAFCO notes that over a period the impact of new applications is likely to be reduced if applicants adopt a hierarchy that gives preference to those projects that have no impacts on prime agricultural, agricultural and/or open space lands, followed by those that minimize impacts, and lastly those that require mitigation of their impacts.

**Observation 2.** Undeveloped prime agricultural, agricultural and open space lands exist primarily in east Contra Costa County, as does much of the remaining open space; however, most of the historical conversion of this land occurred elsewhere in the county. In order to preserve the remaining land, a countywide effort involving funding may be appropriate.

**Observation 3.** Any jurisdiction that contains prime agricultural, agricultural and/or open space land can periodically review whether its land use and other regulations strike the proper balance between discouraging development and conversion of prime agricultural, agricultural and open space lands with encouraging economically viable agriculture-based businesses that will keep agriculture production high.





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 <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

December 14, 2016  
Agenda Item 8

December 14, 2016 (Agenda)

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

**West Contra Costa Health Care District – Special Study – Final Draft**

Dear Commissioners:

**BACKGROUND:** In April 2016, LAFCO initiated a special study of the West Contra Costa Healthcare District (WCCHD). In September 2016, the Commission received an overview of the Public Review Draft which provided a brief history of the District, a summary of health care needs in West Contra Costa County, an overview of the current status of WCCHD, and a synopsis of governance options.

The Public Review Draft Study was subject to a 30-day public comment period, during which time LAFCO received comment letters from the following parties (see attached):

- ✚ WCCHD
- ✚ County Supervisor John Gioia, District I
- ✚ Contra Costa County Health Services
- ✚ City of San Pablo
- ✚ City of Richmond
- ✚ Los Medanos Community Healthcare District (LMCHD)
- ✚ Wendy Lack, Contra Costa resident

Following the public comment period, LAFCO received additional letters from the WCCHD and the Hospital Council of Northern and Central California. Copies of all letters are attached.

The majority of commenters expressed support for a governance option that would preserve funding to meet the critical healthcare needs in West Contra Costa County.

**DISCUSSION:** The special study provides findings; a synopsis of state, county and West County healthcare district issues; governance options; and an update on the recent WCCHD bankruptcy filing.

**Major Findings** - Major findings identified in the study include the following:

1. Significant healthcare needs exist in West Contra Costa County
2. Justification exists to dissolve the WCCHD due to the loss of the hospital, lack of service, and overwhelming debt
3. Organizational options exist that are less costly than status quo
4. Special Legislation could be pursued to address WCCHD's specific situation
5. Contra Costa County could consider creating a new county service area (CSA) to provide additional healthcare services in the same geographic area as the WCCHD

**Governance Options** – The report provides a number of governance options, as summarized below, along with advantages, disadvantages, and the LAFCO process associated with each option. Some of the options identified in the report would enable the continuation of property and possibly other taxes to fund healthcare purposes in the community; while other options provide for dissolving WCCHD and naming a successor agency to wind up the affairs of the District.

- **Maintain the Status Quo** – WCCHD would remain intact, and the Board of Directors would continue to be elected and conduct district business. The District's mission would shift from hospital ownership and oversight to other forms of provision of healthcare service, following payment of debts.
- **Consolidation with LMCHD** - This option would consolidate the WCCHD with the LMCHD, which are "like" districts formed under the same statutes. The boundaries of the consolidated entity would correspond to the combined boundaries of the two existing districts (non-contiguous). The current share of WCCHD property taxes would be collected by the consolidated entity, subject to existing obligations to the County; these revenues would be available for use throughout the consolidated entity unless a zone is created to geographically restrict use of the revenues. An advisory board could be established to oversee and guide the use of funds collected and expended within the prior WCCHD boundaries. Existing LMCHD staff would be responsible for staff support, with direction from the Board of the consolidated entity. LAFCO could establish terms and conditions related to the initial and ultimate composition of the consolidated Board.

In July 2016, LMCHD submitted a letter to LAFCO indicating that the LMCHD Board of Directors does not wish to consolidate with the West Contra Costa Healthcare District.

- **Reorganize as a subsidiary district** - A subsidiary district to the City of Richmond could be created to continue providing healthcare services. In accordance with State law, the City would have to comprise at least 70% of land area and at least 70% of the registered voters within the subsidiary district. Under this scenario the WCCHD is not dissolved, and becomes a subsidiary district of the City with the Richmond City Council serving as the governing board of the subsidiary district.

Under the current configuration of the WCCHD, the City of Richmond could not be named the successor agency for the purpose of continuation of WCCHD services because neither the City's land area is (44%) nor number of registered voters (39%) meet the required 70%, as the current WCCHD boundaries overlap other cities and various unincorporated communities. In order for the City of Richmond to meet the 70% thresholds, the boundary of the WCCHD would need to be reduced to about 63%, resulting in a significant reduction in total revenues (property tax and parcel tax). The parcel taxes represent a lien on secured property, and it is not expected that this lien could be reduced by a reorganization and boundary change.

- **Consolidation with County Service Area EM-1 (CSA EM-1)** – under this scenario, LAFCO would combine two districts with healthcare-related services, but which are “unlike” districts formed under different statutes. The resulting district would be a CSA encompassing the entire county, although a separate zone could be created to correspond to the prior WCCHD boundaries in order to segregate specific revenues and services. The current share of WCCHD property taxes would be collected by the consolidated entity, subject to existing obligations to the County; these revenues would be available for use throughout the consolidated entity unless a zone is created to geographically restrict use of the revenues. Existing County staff would be responsible for staff support, with direction from the Board of Supervisors. An advisory board could be established to oversee and guide the use of funds collected and expended within the prior WCCHD boundaries.

CSA EM-1 was established in 1989 to provide funding for enhanced emergency medical services including expansion of paramedic services, upgrades to EMS communications system, and additional medical training and equipment for fire first responders. There would be some complexities with combining WCCHD and CSA EM-1; and initial discussions with County staff and officials indicate a lack of interest in this option.

- **Reorganization with creation of a new CSA** - County service areas are typically formed to fund “miscellaneous extended services” that a county is authorized by law to perform and does not perform to the same extent countywide. The County could consider creating a new CSA, with the approval of the five cities within the WCCHD service area and, essentially, annex the WCCHD into the new CSA. Under this option, the County would apply to LAFCO to form a new CSA to function as successor to the WCCHD; and any assets and liabilities would be transferred to the new CSA. The County Health Services department, under the direction of the County Board of Supervisors, could administer the CSA.
- **Dissolution with appointment of successor to wind-up affairs** - Dissolution would eliminate the WCCHD. After the obligations of the WCCHD have been paid, the 2004 parcel tax would cease and reallocation of the District's share of the ad valorem property taxes would be subject to a property tax transfer agreement per the County's approval. The tax transfer agreement could potentially allocate the remaining ad valorem property

tax to the County for healthcare purposes, at the discretion of the Board of Supervisors. LAFCO appoints a successor agency to wind up the affairs of the dissolved district.

At their meeting on November 15, 2016, the Contra Costa County Board of Supervisors took action to fill two vacancies on the WCCHD board, expressed its support to preserve funding to meet healthcare needs in West Contra Costa County, and requested that LAFCO defer any decision to dissolve/reorganize the WCCHD pending the bankruptcy proceedings (as discussed below).

***Other Issues*** - With regard to the various governance options, the report notes the following:

- ❖ Taking no action regarding the future of WCCHD does not appear to be an option preferred by either WCCHD or County representatives. However, if no action is taken, WCCHD will continue to incur election costs as well as significant administrative costs with no clear ability to provide services in the near future.
- ❖ Maintaining the status quo, consolidating WCCHD with Los Medanos Community Healthcare District (LMCHD), and establishing a subsidiary district, are the least viable options as explained in the study.
- ❖ Consolidation with CSA EM-1 and reorganization/creation of a new CSA to continue services both require County participation. These options will likely depend on whether the County determines that the financial challenges in taking over the assets and obligations of the WCCHD are balanced by the opportunity to preserve some or all of the current revenues for the provision of healthcare in West County. The formation of a new CSA would require support from the five West County cities to be part of a CSA. Further, the County would need to apply to LAFCO to form the new CSA, and would be required to provide a plan for providing services that includes identification of revenue sources to fund services. Formation of a new CSA is also subject to an election. It is likely that the property tax currently being allocated to WCCHD would be allocated to the new CSA; however, it is unclear whether the parcel tax would automatically be transferred to the new CSA, or whether voter approval would be required in order to continue the parcel tax. The CSA options would result in replacing the current directly elected WCCHD board with the County Board of Supervisors (BOS). Two of the five members of the BOS are elected by residents in West Contra Costa County (one supervisorial district is wholly within West County and one is partially in West County). Any concern regarding local (i.e., West County) representation could be partially mitigated by creation of an advisory body.
- ❖ The District or the County could seek special legislation that would allow the BOS to appoint the District's governing body. The BOS could decide to appoint themselves or members of the community. The appointed board could be either permanent or temporary. This option would keep the District intact while eliminating election costs, and enable County oversight during the next ten-year period of relative inactivity by the District. This District could remain County-dependent, or return to independence in the

future. This option would require the County's cooperation but would not require voter approval.

**Bankruptcy** – On October 20, 2016, the WCCHD filed Chapter 9 bankruptcy. The purpose of Chapter 9 bankruptcy is to obtain relief from creditor collection actions and allow the District time and access to the funds necessary to effect a “plan of adjustment” of the District's debts. Reorganization of the debts of a public agency, such as the District, is typically accomplished either by extending debt maturities, reducing the amount of principal or interest, or refinancing the debt. Although similar to other bankruptcy chapters in some respects, Chapter 9 is significantly different in that there is no provision in the law for liquidation of the assets of the public agency and distribution of the proceeds to creditors. The functions of the bankruptcy court in Chapter 9 cases are generally limited to approving the debtor's bankruptcy petition, confirming a plan of debt adjustment, and overseeing the plan implementation.

The bankruptcy court will determine the timing and disposition of assets and liabilities; sale of the hospital building could occur during that time. The bankruptcy proceedings may take up to 12 months to complete. During that period, bankruptcy counsel and the court may look to LAFCO, the WCCHD, and the County to formulate a strategy for the post-bankruptcy governance of the District, which would ultimately be reflected in the bankruptcy plan of adjustment.

The District continues to face a number of challenges, including the recent bankruptcy filing, service needs and substantial debts totaling about \$100 million. If LAFCO is inclined to dissolve the District, it might be prudent to defer dissolution while the bankruptcy case is proceeding, to allow additional time for the District and County to determine whether special legislation or other solutions could be explored to assist the County in its efforts to preserve funding to meet the healthcare needs of West Contra Costa County after the bankruptcy has resolved the Districts' outstanding debt.

At the December 14, 2016 LAFCO meeting, the Commission will receive an overview of the Final Draft Special Study and be asked to provide input and direction.

## **RECOMMENDATIONS**

Accept study with changes as desired and provide direction as appropriate.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

c: Distribution

## WEST CONTRA COSTA HEALTHCARE DISTRICT

Contra Costa Local Agency Formation Commission  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553

Re: Public Comment on Public Review Draft Report Special Study of Governance  
Options West Contra Costa Healthcare District

Dear Commissioners:

The West Contra Costa Healthcare District (WCCHD), its Board and management, have appreciated the ongoing opportunity afforded by LAFCO to have input into the study and draft work of the Commission's consultant and Executive Director. The District Board of Directors at its October 19, 2016, meeting reviewed the Draft Special Study (Study) dated August 18, 2016, and authorized me to submit these comments. The District as you know is currently struggling with the wind up of the business of Doctors Medical Center, including a challenging panoply of long term and short term debts left from the District's long effort to keep the Hospital operating. As the District's long struggle to maintain health services for our underserved community testifies, the District supports the Study's findings covering the continuing needs of our communities, especially the stark lack of emergency services and other healthcare gaps identified by the Study.

The District joins with Contra Costa County, the City of Richmond, and the City of San Pablo in their public comments submitted to the Commission calling for a solution to the District's future that maintains the District's tax revenues, consistent with the intent of the voters, to meet the many healthcare access needs of the residents of West Contra Costa.

The District is currently undertaking a rather herculean effort to reorganize its debts, assets, and revenues in an attempt to wind up the operations of DMC in a reasonable and rational manner. Rather than face an otherwise chaotic demand on its assets and resources, the District views Chapter 9 bankruptcy reorganization as the best means of bringing order to its financial crisis, and meeting the District Board's desire to wind up DMC's affairs in the best interests of the taxpayers, the District's former employees, and the District's healthcare partners and creditors. Within that present context, the District views the LAFCO Study to be an extension of its own effort toward short term solutions, with the Study's reorganization models representing potential subsequent, long term solutions.

Although there are those who believe the District's status quo could be somehow maintained into the future, the District Board and management believes the Study's proposed consideration of the creation of a new County Service Area (CSA) is a

reasonable model. The District shares the support of Contra Costa County, and the Cities of San Pablo and Richmond, for a model of reorganization that maximizes long term dedicated healthcare funds for West Contra Costa health services. The District as a separate legal entity will essentially have no other function than administering its own overhead and the payment of its debts for perhaps the next 15 years. This is an unfortunate reality of the aftermath of this community's valiant efforts to maintain the emergency and related healthcare services of DMC as long as possible. If the creation of a West County healthcare dedicated CSA, and merger of this District into that agency as the culmination of a District reorganization, proves the best means of maximizing healthcare funding and minimizing agency overhead, then our District can support that model. We also join with the County and the Cities in suggesting that such a reorganization needs to create direct governance by representatives of our West Contra Costa communities.

Although the District can support a new CSA, or a similar vehicle for reorganization, the District wants to repeat our suggestion that the process and its multiple proceedings, including LAFCO and local agency approvals and an election, seem cumbersome, costly and time consuming. Perhaps a legislative reorganization could be enacted? We note recent legislation impacting the Eden District in Alameda County. The intent of the CSA model suggested in the Study is to combine maximizing West Contra Costa healthcare funding while minimizing the District's operational and governance overhead, particularly the huge election expense associated with the large size of the District. Could this intent be accomplished by legislation simply reorganizing the District into the equivalent of a new CSA, or perhaps a reorganization of the existing WCCHD into a healthcare district with a governance structure similar to that of the proposed new CSA?

The District Board and its management look forward to working with the Commission and its staff on these challenging issues confronting the ongoing health service needs of West Contra Costa.

Very Truly Yours,



Eric Zell, Chair

West Contra Costa Healthcare District

WEST CONTRA COSTA HEALTHCARE DISTRICT

Received by LAFCO  
September 14, 2016  
1:50 p.m.

September 14, 2016

Chairman Don Tatzin and members of the LAFCO  
651 Pine Street, 6th Floor  
Martinez, CA 94553

VIA EMAIL

Dear Chairman Tatzin and members of the LACO Board:

First, I want to thank you very much for conducting the special study on the future disposition of the West Contra Costa Healthcare District (District). In light of the unfortunate closure of Doctors Medical Center in April 2015, it is clearly the appropriate time to understand the various options that should be considered by your Commission, as well as our Board, regarding the future disposition of the District.

Unfortunately, our District is holding our Board meeting at approximately the same time as your meeting, so we cannot be attendance. I have reviewed the study and appreciate the opportunity to provide comments and input.

While the Board has not taken a position yet, and we will be discussing the study at today's Board meeting, I believe I can represent the following concerns and comments:

- Whatever the future holds for the District, it is critical to assure that the District's debt to Contra Costa County and our Certificates of Participation (COPS) are paid off in the required timeframes based on existing agreements.
- Secondly, once the debt is paid off, I recommend that LAFCO strongly consider maximizing the opportunity to keep existing tax revenues (assessed value and special parcel tax) to address existing and growing health care needs for the West County community.
- Third, I believe it would be prudent to minimize or eliminate any on-going expenses for the operations and administration of the District, including the costs of future district elections.
- Lastly, it is essential to assure the competent governance for the future oversight of District activities.

Thank you again for the opportunity to provide you my comments. We look forward to continue to work with LAFCO on the future disposition of the District. Our Board will provide



WEST CONTRA COSTA HEALTHCARE DISTRICT

a more formal Board position, once we have had the opportunity to discuss the study at today's meeting and take a position at our meeting in October.

Respectfully,

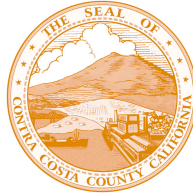


Eric Zell, Chair  
West Contra Costa Healthcare District

CC: Lou Ann Texeira, Executive Officer  
West Contra Costa Healthcare District Board  
Bobbie Ellerston, Acting CEO

John Gioia (say “Joy-a”)  
District One  
Board of Supervisors

# Contra Costa County



11780 San Pablo Avenue, Suite D  
El Cerrito, CA 94530  
Phone: (510) 231-8686  
Fax: (510) 374-3429

September 14, 2016

LAFCO  
651 Pine St., 6<sup>th</sup> Floor  
Martinez, CA 94553

Re: West Contra Costa Healthcare District Special Study on Governance Options

Dear LAFCO Commissioners and Staff:

As the County Supervisor representing the area which covers most of the West Contra Costa Healthcare District (cities of Richmond, San Pablo, El Cerrito, Pinole and adjacent unincorporated communities), I want to provide some comments on behalf of West County residents regarding LAFCO’s Special Study.

The draft study is very thorough in setting forth the healthcare issues and needs in West County and the available governance options. The study clearly identified one of the major health care gaps in West County – the shortage of emergency rooms beds. Contra Costa County Health Services has also issued reports concluding that there is a critical shortage of emergency room beds in West County.

The LAFCO study accurately concludes that while there are 160 emergency medical treatment stations in Central County (for a population of 513,000) and 69 in East County (for a population of 303,900), there are only 27 in West County (for a population of 254,800). This disparity is striking.

Shortly after the closure of Doctors Hospital, the County, Kaiser, and John Muir Medical helped support the establishment of a vital Urgent Care facility across the street from the now closed Doctors Hospital. This facility, operated by LifeLong Medical (a non-profit community health clinic) serves an important need.

It is vital that existing tax revenues which are earmarked solely for local healthcare in West County be maintained to support the existing healthcare gaps that exist in West County. The West Contra Costa Healthcare District currently receives a portion of the 1% ad valorem property tax (totaling about \$3 million per year) and a \$52 per year voter approved parcel tax (totaling about \$6 million per year).

West County residents are served by a governance option which preserves this important funding (both the ad valorem property tax revenue and parcel tax revenue). Once the District’s debt is paid off, this existing funding can be used to support a range of healthcare services – primary care, urgent care or emergency care. Healthcare districts are authorized under state law to do

Email: [John\\_Gioia@bos.cccounty.us](mailto:John_Gioia@bos.cccounty.us) • Website: [www.cocobos.org/gioia](http://www.cocobos.org/gioia)

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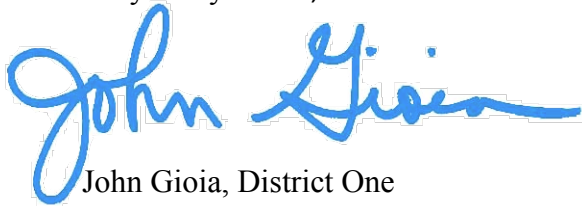
EAST RICHMOND HEIGHTS ♦ EL CERRITO ♦ EL SOBRANTE ♦ KENSINGTON ♦ MONTALVIN MANOR  
NORTH RICHMOND ♦ PINOLE ♦ RICHMOND ♦ ROLLINGWOOD ♦ SAN PABLO ♦ TARA HILLS

more than operate hospitals – they are permitted to provide a broad range of healthcare services, including urgent care.

One of the possible governance options to help meet West County’s healthcare funding needs and which deserves further analysis and study is the option to create a new County Service Area for the express purpose of healthcare services in West County (page 31 of the study).

Thank you for the opportunity to provide input in this draft study.

Very Truly Yours,

A handwritten signature in blue ink that reads "John Gioia". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Gioia".

John Gioia, District One



9/14/2016

LAFCO

651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553

Dear LAFCO Commissioners and Staff

Contra Costa Health Services strongly supports preserving options for the funding of health care services for the residents of West County. This critical funding should promote and optimize access to all levels including primary care, urgent and emergent care. Contra Costa Health Services agrees with the report's important findings that:

*"Residents of West Contra Costa are faced with numerous challenges in achieving levels of health care that are more common in other parts of the County. The closure of Doctor's Medical Center (DMC) eliminated an important community resource."*

The hospital closure not only eliminated 154 hospital medical surgical beds, 25 emergency department beds and 35 ICU beds it also impacted the community by reducing the availability of outpatient and urgent care medical and surgical services associated with the treatment of cancer, renal disease, diabetes and heart disease..

In light of the significant disparities<sup>1</sup> in emergency department beds that exist between East, Central and West County; we encourage LAFCO to consider a recommendation that will provide access to all levels of health care for West County residents and preserve existing healthcare funding to maintain and expand vital healthcare services in West County.

Respectfully,



William Walker

<sup>1</sup> Impact Evaluation Report; June 13, 2014. <http://cchealth.org/dmc>



September 19, 2016



CITY OF SAN PABLO  
City of New Directions



**E-MAIL TRANSMITTAL AND REGULAR MAIL**

LAFCO  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553

**Re: LAFCO SPECIAL STUDY ON WEST CONTRA COSTA HEALTHCARE DISTRICT GOVERNANCE OPTIONS**

Dear LAFCO Commissioners and Staff:

On behalf of the City of San Pablo City Council, the City appreciates the opportunity to comment on the current West Contra Costa HealthCare District LAFCO Special Study.

The DRAFT LAFCO Special Study is very comprehensive and thorough in setting forth the healthcare needs and issues in West Contra Costa County, and has laid out all available governance options for public consideration. The Study clearly points out that there is clearly a **major and significant healthcare gap** in West County – the shortage of emergency room beds.

**WCCHCD Financial Assistance by City of San Pablo**

In April 2015, the City of San Pablo was instrumental in assisting WCCHCD with providing \$11.5M for acquisition of WCCHCD owned-assets including the purchase of a building which houses the Lifelong Urgent Care facility at 2023 Vale Road in San Pablo. Lifelong is a non-profit “safety net” community health organization that provides primary care services to the underinsured and underinsured in San Pablo and West County. The City of San Pablo’s decision to purchase the District’s former assets enabled Lifelong Health Care to continue to provide critically needed health care services to cover existing healthcare gaps that exist in West County area.

Unfortunately, with the closure of DMC in April 2015, and now with the Sutter Health Corporation’s decision to potentially close Alta Bates Hospital in Alameda County, there is a crucial shortage of emergency room beds in West County, with Kaiser Richmond remaining as the only private acute care and emergency services treatment facility remaining in West County. This is a **significant public health care crisis** for West County and its residents.

The LAFCO Special Study accurately concludes that while there are 160 emergency medical Treatment stations in Central Contra Costa County (for a population of 513,000) and 69 in East County (for a population of 303,900) there are only 27 in West County (for a population of 254,800). This is a **significant and compelling disparity** of a lack of health care services in West County.

### **San Pablo Measure K Sales Tax Measure**

In June 2014, following the failure of the District's Measure C parcel tax measure, the City of San Pablo voters successfully passed a ¼ cent sales tax with no sunset clause to fund emergency services programs (i.e. EMS Squad) at County Fire Protection District Station (ConFire) #70 in San Pablo. With longer ambulance transport times to emergency services, the local sales tax measure funding assists ConFire with maintaining critically needed health care services (i.e. ALS/BLS services) to cover existing healthcare gaps that exist in San Pablo, and West County unincorporated service areas.

### **Future Governance Options**

In the LAFCO Special Study, West County residents are provided a governance option which preserves this important funding (both the ad valorem property tax revenue and parcel tax revenue). Once the WCCHCD's debt is paid off, the projected \$8-9M in annual projected revenue to the WCCHCD will enable a successor agency to support a range of healthcare services – primary care, urgent care or emergency care in West County. Healthcare Districts are authorized under State law to do more than just operate community hospitals as they may re-direct these resources to a broad range of healthcare services, including urgent care and other primary care services.

### **County Service Area Governance Option**

The City of San Pablo supports the potential governance option which preserves the best possible use of this future revenue source to be best applied with the future creation of a new County Service Area for the express purpose of enhancing and supporting healthcare services in West County which is identified on page 31 in the LAFCO Special Study (See Attachment).

This governance option will enable the City of San Pablo to continue our ongoing collaborative efforts and financial leverage as a local agency to jointly expand Contra Costa County Health Services activities, programs and services in West County within the District's boundaries in the years to come, including expanding urgent care facilities or developing new health care facilities to greatly serve the underinsured and uninsured at-risk population.

Thank you for the opportunity to provide input to this LAFCO Special Study.

For any additional information, please contact Mr. Matt Rodriguez, City Manager at (510) 215-3016 or via email: [MattR@SanPabloCa.gov](mailto:MattR@SanPabloCa.gov).

Sincerely,



Rich Kinney, Mayor  
City of San Pablo

Attachment: WCCHCD Governance Options (page 31) of LAFCO Special Study

cc: San Pablo City Councilmembers  
City Manager  
City Attorney  
Assistant City Manager  
Assistant to the City Manager

## REORGANIZATION WITH CREATION OF NEW DISTRICT (CSA) FOR CONTINUING SERVICE

County service areas (CSAs) are formed by counties to fund “miscellaneous extended services” that a county is authorized by law to perform and does not perform to the same extent countywide. Gov. Code, § 25213. The County could consider creating a new CSA, with the approval of the cities within the WCCHD service area and, essentially, annex the WCCHD into the new CSA. Under this option, the County would apply to LAFCO to form a new CSA to function as successor to the WCCHD; and any assets and liabilities would be transferred to the new CSA. The CCHS, under the direction of the County Board of Supervisors, would administer the CSA.

### ADVANTAGES AND DISADVANTAGES OF A NEW CSA

#### Advantages

- Property taxes and, potentially, parcel taxes collected within the district will continue to be spent to augment and expand healthcare services for West County residents, including urgent care, primary care, prevention programs, nurse advice lines, and other health programs.
- Reduces existing administrative costs, including elections, to help avoid currently projected potential negative cash flows
- The County would have the ability to adapt the current WCCHD property tax repayment obligation as necessary to mitigate potential negative cash flows, and would be motivated to take actions to assure financial feasibility and repayment
- CCHS, which would manage the district, provides a broad range of programs, including programs and facilities within WCCHD boundaries, and existing staff have the experience and expertise to augment needed services in West Contra Costa when revenues are available

#### Disadvantages

- Loss of representation by the currently locally-elected board, although this could be partially mitigated by creation of an advisory body to oversee and direct district activities. The Board of Supervisors, which is the board for all CSAs, includes one member elected solely by West County residents, and one member elected by West County and other areas in the County.
- Dissolution of WCCHD and formation of a new CSA requires an election

## LAFCO PROCESS – REORGANIZATION WITH CREATION OF NEW CSA

A CSA may be initiated by resolution of the County Board of Supervisors,<sup>31</sup> or by a petition signed by no less than 25% of registered voters living within the proposed district boundaries.<sup>32</sup> Voter approval is required for the CSA formation. The board may appoint one or more advisory committees to give advice to the board of supervisors regarding a CSA's services and facilities.<sup>33</sup>

Assuming the reorganization and formation of a new CSA is initiated by the County, a number of issues will need to be addressed by the County as part of its application to LAFCO:

- **Services** – Gov. Code section 25213 specifies the conditions under which the County is authorized to form a CSA. The proposed service must be a service that the County does not perform to the same extent on a countywide basis. The County provides healthcare through the Health Services Department on a countywide basis and emergency services through EM1 on a countywide basis. The County's application to LAFCO would need to clarify the nature of the "extended" services not currently performed by the County.
- **Funding** – Gov. Code §§25211.4 and 25211.5 prohibit LAFCO from approving a proposal that includes formation of a CSA unless the commission determines that the CSA will have sufficient revenues to carry out its purposes. LAFCO could condition the formation of the CSA on consolidation/reorganization with WCCHD and future revenue received thru WCCHD.
- **City Consent Required** – WCCHD contain five cities. Gov. Code §25211.4(c) prohibits LAFCO from approving a proposal that includes formation of a CSA that would include territory within a city unless, before the close of the commission's hearing, the city council has filed and not withdrawn a resolution that consents to the inclusion of that incorporated territory. Thus, LAFCO would need a resolution from each of the five cities consenting to the formation of the CSA.
- **Election Required** – As required by Gov. Code §25211.4(f), LAFCO must call an election on the formation of a proposed CSA.
- **Plan of Reorganization** – As part of as part of a dual application for CSA formation and consolidation of the new CSA with the WCCHD, the County would need to clarify the form of reorganization, i.e., whether it is a "consolidation of unlike districts" under Gov. Code §56826.5(b).
- **Continued Use of Parcel Tax** – A legal opinion would be required to establish the validity of the new agency continuing to use existing Measure D (2004) parcel tax proceeds after

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<sup>31</sup> Gov. Code Sec. 25211.3.

<sup>32</sup> Gov. Code Sec. 25211.1.

<sup>33</sup> Gov. Code Sec. 25212.4.





September 23, 2016

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

**Re: Public Comment on Public Review Draft Report Special Study of Governance Options  
West Contra Costa Healthcare District**

Dear Commissioners:

We appreciate the time and resources contributed to the development of the *Special Study of Governance Options West Contra Costa Healthcare District* by the Contra Costa Local Agency Formation Commission (LAFCO). This study will be helpful to identify the most appropriate actions for the future of the West Contra Costa Healthcare District, as well as the accompanying funding sources to address the health disparities of West County and, in particular, Richmond residents.

As the largest taxpaying contributors into the healthcare district, the need and desire for services close to Richmond is clear. Richmond residents and the Richmond City Council were actively in support of keeping Doctors Medical Center (DMC) open, collaborating with multiple entities in a time of crisis to identify options to maintain the hospital's services. Unfortunately, DMC closed, and many of the concerns expressed by the community and healthcare professionals are being manifested. There are now significant negative impacts stemming from Richmond residents' and the greater West County region's inability to access healthcare services – primary care, urgent care, and emergency services. This special study confirms this challenge by providing important data that describes the existing conditions of healthcare services.

The City of Richmond is reaffirming its commitment to the on-going pursuit of developing health equity for all our residents. We hope that the comments below will prove useful, and we look forward to continuing to work with you as the draft report is finalized and governance options are implemented.

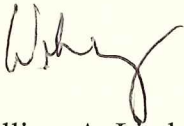
- We are supportive of governance options that will continue funding for healthcare services within the district.
- If a governance structure to preserve funding, such as the creation of a new County Service Area (CSA) district, is selected as the optimal option, then LAFCO should develop a general principles document that outlines funding parameters and commitments. Preferably, this document would be developed in conjunction with district cities and Contra Costa County to ensure accountability to taxpayers.
- The funding currently received by the healthcare district to provide direct healthcare services will not be available until all debts and obligations are paid, which may take over a decade. However, this timeline does not preclude LAFCO and Contra Costa County from working together to address the systematic barriers to healthcare delivery in West

County. LAFCO cannot wait until the funding is available to improve West County's healthcare services. A plan with accountability metrics needs to be developed outlining what healthcare delivery improvements can be accomplished in the waiting decade. This plan will demonstrate good faith to our communities and indicate that we are ready to receive additional funding. Demonstrating improvements and capacity can leverage public support for the CSA option.

- In any potential governance option, it is important to include adequate representation and the voice of the Richmond community.

We are committed to support governance options to improve the healthcare delivery for West County residents and look forward to continuing our collaborations to develop a healthier and more equitable Richmond.

Sincerely,



William A. Lindsay  
City Manager

cc: LouAnn Texeira, Executive Officer, LAFCO (via email)  
Kate Sibley, Executive Assistant, LAFCO (via email)



*"Advancing Solutions to Health Disparities"*

July 29, 2016

Ms. Lou Ann Texeira  
Executive Officer  
Local Agency Formation Commission  
651 Pine Street, Sixth Floor  
Martinez, CA 94553-1229

Dear Ms. Texeira,

Thank you for coming to the meeting of the Los Medanos Community Healthcare District (LMCHD) Board of Directors on June 13, 2016 and making a presentation about the special study LAFCO is conducting. Please note that the LMCHD Board of Directors has reached consensus to maintain the status quo.

The LMCHD Board of Directors does not want the LMCHD to consolidate with the West Contra Costa Community Healthcare District. The LMCHD Board of Directors also does not want the LMCHD to become a successor agency to the West Contra Costa Community Healthcare District. The LMCHD Board of Directors would like to have this position noted in the report you are preparing.

Again, thank you for keeping the LMCHD informed and for allowing the LMCHD Board of Directors to make its position very clear.

Sincerely,

D. Pete Longmire  
Interim Executive Director

cc: LMCHD Board of Directors

*"A Public Entity Serving East County"*

1630 N. Main St., #258  
Walnut Creek, CA 94596-4609  
September 14, 2016

Contra Costa Local Agency Formation Commission  
651 Pine Street, 6th Floor  
Martinez, CA 94553

Re: Comments on Public Review Draft Report: Special Study of Governance Options for the West Contra Costa Healthcare District (9/14/2016 Agenda Item 9)

Dear Commissioners:

The following comments are offered regarding the above-referenced report and the Commission's consideration of governance options:

1. **District finances**: Without reliable information, it's impossible to make informed decisions. Without audited financial reports, there's no clarity about District finances.

**The District has issued no audited financial reports since December 31, 2013. It's disappointing this report fails to state this startling fact.**

Even more troubling is the consultant's reliance on staff statements and "budget forecasts," which are no substitute for audited financials. Under current circumstances, the District cannot be considered a credible source of information.

Under the terms of the District's 2011 Certificates of Participation (COPs) financing program, continuing disclosure of financial condition is required. On October 16, 2015, the District advised the Municipal Securities Rulemaking Board (MSRB) that it would file its 2014 annual financial report no later than October 30, 2015; but this didn't happen (see: <http://emma.msrb.org/EP875132-EP677698-EP1079332.pdf>).

It is also noted that page 21 of the report states, "The District is in the process of refinancing its COPs to reduce its interest rate and interest costs . . ." No one will refinance COPs without audited financial reports! If the District is refinancing its COPs, then it must have audited financial reports as part of that refinancing application process, though no 2014 and 2015 audited financials have been presented to the District governing board for acceptance. This is all very puzzling.

**The District says it will present audited financials by the end of 2016. Audited financial reports – that is, audited financials for *both* 2014 and 2015 – are prerequisite to decision making about Governance Options.**

2. **“Long-Term WCCHD Budget Forecast” - Table 5, Page 17:** This table contains inaccurate information and raises more questions than answers. This table is incomplete because it doesn't show all revenues and expenditures. For example:
  - a. This table doesn't disclose the source of the information presented.
  - b. The District's annual ad valorem tax revenues are ~\$3.3 million. This total revenue figure isn't shown on this “forecast” because the County takes everything in excess of \$1 million off the top, pursuant to an agreement to repay the County loan. But it's still District revenue and should be shown as such.
  - c. The next California recession is anticipated by 2019. During the last financial downturn, assessed values dropped and, at times, were flat. The “forecast” and report don't acknowledge the likelihood of AV reductions over the long-term or address what happens if AV goes down.

**Governance decisions require good quality information, not speculation.**

3. **Certificates of Participation (COPs) debt obligations:** The report says the District is considering paying off its COPs early, but fails to explain how that's possible given their redemption restrictions. Why pay them off early if you don't have to? The outstanding COPs mature in 2042; certificates redeemed before 7/1/2032 carry a prepayment penalty.

**Backup documentation and analysis is needed to support statements made in the report about the *net* results of early payoff.**

4. **Hospital Sale Prohibited by Terms of COPs:** The Official Statement for the 2011 Certificates of Participation includes a “Summary of Principal Legal Documents - Appendix C.” The Official Statement is available at: <http://emma.msrb.org/ER546481-ER423315-ER825444.pdf>

Page 12 of Appendix C states, in part (emphasis added):

The Installment Sale Agreement may not be assigned by the District, and **the Facilities may not be sold by the District during the Term of the Installment Sale Agreement.** (“Facilities” is defined as “all of the District's health care facilities commonly known as Doctors Medical Center-San Pablo, located at 2000 Vale Road, San Pablo, CA 94806, and situated on the real property described in the Installment Sale Agreement.”)

**An explanation is needed regarding how the District can sell its real estate, given this restriction.** It appears the District may be refinancing COPs solely to circumvent this restriction on sale of the hospital.

5. **History/Status of County Loans:** This report could be improved by including a chronological table listing **all loans made by the county and all payments made by the**

**District** in connection with the property tax exchange agreement. This information should be readily available from the county auditor-controller's office.

6. **Conflict of Interest**: If the District were dissolved, creditors would suffer financial losses. District creditors include Contra Costa County. Therefore County Supervisors have a conflict of interest relative to a dissolution decision.

**Commissioners Piepho and Glover should recuse themselves in this matter.**

7. **Overly Rosy Outlook**: The report makes it sound as though "everything will be fine in a few years." That's not the case. Discussion on page 16 of the report says:

Assuming property taxes increase by at least 2.5% annually, and assuming that the Measure D parcel tax revenues are available for other purposes after the COPs are repaid, it is conceivable that available revenues, after expenses, could grow to more than \$9 million per year in 14 years, or by the year 2030.

**Following the 2007/2008 economic downturn, there were times when assessed valuation was flat. Given the numerous variables and uncertainty involved, the report's assessment of the District's financial condition is unrealistic.**

8. **Governance Options**: Of the six options identified in the report, District dissolution is the only reasonable alternative. The District has outlived its usefulness and should not continue to collect taxes from people who derive no benefit.

Since the 1990's County and District officials have told the public "everything will turnaround" with just one more tax increase, one more loan from the county, one more negotiation with a potential buyer, one more whatever. There is no turnaround coming – not then, not now.

We must confront reality so we can begin to solve the problem.

**It is morally wrong to continue collecting taxes without providing public benefit; doing so in economically-disadvantaged West County is unconscionable. Dissolution of the District is the only reasonable alternative.**

Thank you for your consideration.

Best regards,

/s/

Wendy Lack  
Contra Costa resident



**Hospital Council**  
of Northern & Central California

*Excellence Through Leadership & Collaboration*

November 2, 2016

Contra Costa Local Agency Formation Commission  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553

Dear Commissioners and Staff:

On behalf of our Contra Costa hospital members, I am writing to comment on the Special Study of Governance Options for the West Contra Costa Healthcare District, which recently came to our attention.

We are in support of the option to form a new County Service Area (CSA) that would preserve existing funding sources collected by the District and use the funds to augment and expand health care services for West Contra Costa County residents.

The Hospital Council, in partnership with Contra Costa Health Services, led a Regional Planning Group charged with developing and evaluating innovative strategies for providing sustainable health care services in response to the closure of Doctors Medical Center. Of major concern was addressing the nearly 80% of patients seen in the Doctors Medical Center emergency department for primary and urgent care.

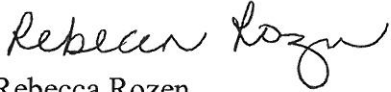
While many different strategies were evaluated, the Regional Planning Group concluded that an urgent care center was the most financially sustainable option. When it was clear that Doctors Medical Center would close, the hospital community then stepped forward to support the opening of a new urgent care center with Lifelong Medical Care.

Today this urgent care center provides critical access to health care services for non-life threatening injuries. However, there is still an unmet need for additional primary, specialty and other health-related services in West Contra Costa County.

In addition, the only remaining hospital in the area, Kaiser Richmond, continues to be overwhelmed by a high volume of patients even though it has expanded its emergency department capacity. Too many residents are continuing to use Kaiser Richmond for primary and urgent care. At the same time hospitals throughout the region are experiencing record emergency department and inpatient volumes.

A new County Service Area will provide an important opportunity to further engage with the County and others as we work to meet the health care needs of West Contra Costa County residents. We look forward to continuing this collaboration.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Rozen".

Rebecca Rozen  
Regional Vice President





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*

December 14, 2016  
 Agenda Item 9

December 14, 2016 (Agenda)

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

**Rollingwood Wilart Park Recreation & Park District  
 Special Study Overview**

Dear Commissioners:

**BACKGROUND:** The Rollingwood Wilart Park Recreation & Park District (RWPRPD) has struggled with service, governance and administrative issues since the late 1990s. The District currently does not directly provide recreation services or parkland due to financial and staffing constraints. The District has no staff, and Board members are performing administrative and operational functions.

Since the late 1990s, the District has also experienced accountability challenges; lack of public interest and contested elections (only one contested election in 1979); a significant decrease in facility rentals; no audited financial statements in over 10 years; and lack of a capital planning documents and administrative records.

The County Treasurer-Tax Collector currently holds funds for the District, including property taxes; and the County Auditor maintains an account on behalf of the District and administers payment of funds at the direction of the District. The District is currently shutting down its recreation center and closing its utility accounts.

**DISCUSSION:** In August 2016, LAFCO initiated a special study of the RWPRPD. As provided for in the scope of work, the consultant collected and reviewed information, and interviewed Charlotte Rude, Board Member, RWPRPD, along with staff from the County Auditor’s Office.

The study evaluates several governance options for the District involving dissolution and naming a successor agency. The consultant will provide details regarding the governance options at the December 14<sup>th</sup> LAFCO meeting.

The *Public Review Draft Special Study* was released on December 5, 2016. The Draft study was posted on the LAFCO website and notices were sent to affected agencies and interested parties

informing them of the availability of the Draft study. The 30-day public comment period will end on January 4, 2017. Also, on December 7<sup>th</sup>, the consultant and LAFCO staff will attend the RWPRPD Board meeting to discuss the LAFCO special study, respond to questions and receive input from the Board.

On December 14<sup>th</sup>, the Commission will receive an overview of the special study and be asked to provide input and direction. Based on comments received at the December 14<sup>th</sup> LAFCO meeting, the consultant will make necessary updates and edits to the report. In January 2017, LAFCO will release the Final Draft report and solicit further public input. On February 8, 2017, the Commission will be asked to accept the Final report and consider taking action to dissolve the RWPRPD.

#### RECOMMENDATION

Receive study overview, discuss and provide input and direction as appropriate.

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 <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

December 14, 2016  
Agenda Item 10

December 14, 2016 (Agenda)

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

**Commissioner Terms**

Dear Members of the Commission:

This is an update regarding Commissioner appointments and the process for filling vacancies.

The authority and procedures for appointing members of the Commission are set forth in the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act). All terms of office on LAFCO are four years, expiring on the first Monday in May, unless otherwise specified.

There are no Commissioner terms expiring in 2017. However, due to the departure of County Supervisor Mary N. Piepho, the County Board of Supervisors will need to appoint a new LAFCO member. LAFCO staff will coordinate with the County regarding the upcoming vacancy, and report back to the Commission following the appointment. The Board of Supervisors typically makes its appointments in January.

**RECOMMENDATION** - Receive report.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER



December 14, 2016  
Agenda Item 11

**AGENDA**

**RETIREMENT BOARD MEETING**

SPECIAL MEETING  
November 22, 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. Review of total portfolio performance for period ending September 30, 2016.
4. Presentation on proposed structure of the CCCERA investment office.
5. Review of 2015 and 2016 CCCERA budget vs. actual expenditure reports.
6. Consider and take possible action to rescind the:
  - a. Policy regarding Emerging Investment Manager
  - b. Policy on Economically Targeted Investments
  - c. Policy on Tobacco Divestment
7. Consider and take possible action on Board meeting schedule for 2017.
8. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' Comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



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 <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

November 28, 2016

December 14, 2016  
Agenda Item 11a

Kathryn Lyddan, Executive Director  
Brentwood Agricultural Land Trust  
P.O. Box 2046  
Brentwood, CA 94513

Dear Kathryn,

We recently learned that you have accepted a new position with the California Department of Conservation and are leaving the Brentwood Agricultural Land Trust (BALT).

You will be dearly missed in Contra Costa County. The work you and your Board have accomplished in the past decade has been phenomenal. BALT's work to preserve agricultural land; develop and strengthen local agricultural enterprise zoning, permitting and policies; and foster collaboration among the farming and urban communities has helped build and sustain the future of farming in Contra Costa County.

Your commitment to, and support of, Contra Costa LAFCO has further enhanced LAFCO's work to protect agricultural and open lands through the recent adoption of a LAFCO Agricultural & Open Space Preservation Policy. On a personal note, it has been a pleasure to work together on our common interests.

We will miss your local presence in Contra Costa County; however, we are confident that your work at the State level will take California to new heights in balancing the State's competing interests and in preserving our valuable natural resources – today and in the years ahead.

Congratulations and best wishes!

Sincerely,

Lou Ann Teixeira, Executive Officer  
Contra Costa LAFCO

c: Board Members, Brentwood Agricultural Land Trust  
Members, Contra Costa LAFCO

## CALAFCO Daily Legislative Report as of Wednesday, December 07, 2016

December 14, 2016  
 Agenda Item 13a

1

**[SB 37](#) (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 12/5/2016 [Text](#)

**Introduced:** 12/5/2016

**Status:** 12/6/2016-From printer. May be acted upon on or after January 5.

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

**Summary:**

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2017–18 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

Total Measures: 1

Total Tracking Forms: 1

12/7/2016 11:06:47 AM

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
PENDING PROPOSALS – DECEMBER 14, 2016**

December 14, 2016  
Agenda Item 13b

<b>LAFCO APPLICATION</b>	<b>RECEIVED</b>	<b>STATUS</b>
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	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
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
Tassajara Parks Project – proposed SOI expansions to CCCSD and EBMUD of 30± acres located east of the City of San Ramon and the Town of Danville	May 2016	Currently incomplete
Tassajara Parks project – proposed annexations to CCCSD and EBMUD of 30± acres located east of the City of San Ramon and the Town of Danville	May 2016	Currently incomplete
Reorganization 191 (Faria Preserve West): Annexations to CCCSD and EBMUD of 9.7± acres in the City of San Ramon	Oct 2016	Under review

## **Palm Drive Heath District requests detachment reconsideration**

by Amie Windsor Sonoma West Staff Writer [amie@sonomawest.com](mailto:amie@sonomawest.com) | Posted: Wednesday, November 9, 2016 10:45 am

### **District seeks ability to charge more for out-of-district residents**

In a move some saw as “revengeful” the Palm Drive Health Care District (PDHCD) sent a request of reconsideration to the Local Agency Formation Commission (LAFCO) on Wednesday, Nov. 2, seeking changes to the resolution granting detachment of the Guerneville, Monte Rio and Forestville school districts from PDHCD.

On Oct. 5, LAFCO agreed to detach the lower Russian River from the District in a landmark vote that will reduce the District’s annual property tax revenues.

LAFCO’s seven board members said detachment is appropriate after more than 25 percent of the River area’s voters signed petitions in support of leaving the District. Detachment will cut District tax revenues by about 40 percent.

The detachment process allowed for a 30-day window during which District directors could ask for a formal reconsideration of the detachment vote.

The District took advantage of the process, submitting a formal request for reconsideration on Nov. 2, two days before the 30-day cut off.

“The reconsideration focused on problems with the words of the resolution,” said Bill Arnone, the District’s attorney. “We brought up issues that didn’t come up until we saw the resolution. The issues are with the state law.”

The request asks that LAFCO add a condition to the adopted resolution allowing the District to implement California Health and Safety Code 32125(b), which enables a board to “establish different rates for residents of the district than for persons who do not reside within the district.”

“This is truly revengeful language,” said Jeanette Dillman, who lives in the detachment area.

While the code is established state law and has been applicable to the District since its inception, the board has not formerly implemented the code.

“If this has been the law for 16 years, why not do it already?” Dillman asked. “You should have been charging different rates the whole time.”

Arnone said the District wanted to allow detachment residents to be able to use District facilities,



including the hospital, while providing the District the same “economic viability” for those performed services.

“The District can give recognition to those who pay money into the District,” Arnone said.

The District also requested that within the resolution, the term “existing District debt obligation” include any refinancing of existing debt that decreases the burden of repayment on parcel tax payers.

“This is really important to do,” District Board President Jim Maresca said.

During the LAFCO deliberations, the District was in the midst of working to refinance their debt obligations to tax payers, creditors and old Palm Drive Hospital employees who were laid off when the medical facility closed in 2014.

The request explains that without the requested definition change, “the District may be foreclosed from refinancing existing debt on terms that would benefit both District residents and residents of the detachment area.”

“We want to make sure we can reduce our financing and interest rates,” Maresca said.

LAFCO will discuss the request for reconsideration during its Dec. 7 meeting.

## East Bay Times

# Antioch city manager announces plans to retire next year



Steve Duran/Archives

Antioch City Manager Steve Duran says he plans to retire in August 2017.

By [Rowena Coetsee](mailto:rcoetsee@bayareanewsgroup.com) | [rcoetsee@bayareanewsgroup.com](mailto:rcoetsee@bayareanewsgroup.com)

PUBLISHED: **November 10, 2016** at 12:20 pm | UPDATED: November 10, 2016 at 12:31 pm

ANTIOCH — The city’s top administrator has announced that he’s planning to retire next year.

Antioch City Manager Steve Duran, 61, notified city council members Tuesday that he has set Aug. 15 as the tentative date for his departure.

Duran emphasized that the timing of his email had nothing to do with the outcome of the election — he emailed the news right after Tuesday’s council meeting before the results were in.

Rather, Duran said he wants council members to have ample time choosing a replacement; his contract only requires that he give a 45-day notice.

In addition, he expects that by mid-August he will have finished overseeing the completion of the city’s 2017-19 budget.

“In the coming months I plan to set a firm retirement date,” Duran wrote.

He wants more time to spend with his wife as well as their daughter and two grandsons who live in Concord, Duran said.

Being master of his own schedule also will allow him to savor more of life’s simple pleasures, which include Sylvie, the standard poodle.

“I don’t want to get up at 5:30 every morning anymore,” said Duran, who has been commuting from Dublin since he signed on with the city in January 2014. “I want to walk the dog every morning, water the yard, have a cup of coffee and relax for a minute.”

“I have enough (home) projects to keep me busy for at least six months,” he added.

After that, Duran thinks he might do some consulting work and help with missions-related activities at his church.

Duran came to Antioch from Hercules, where he first became a city manager in October 2011.

He has spent nearly 18½ years in local government since landing his first public sector job with the San Jose Redevelopment Agency.

Before that Duran worked in the commercial real estate industry as a broker and appraiser as well as in property management and real estate negotiations.

## East Bay Times

# Delta levee repair: New fees may target entities that benefit but ‘do not pay’



A levee road on Bradford Island, Calif. (Susan Tripp Pollard/Bay Area News Group)

By [Aaron Davis](#) | [aarondavis@bayareanewsgroup.com](mailto:aarondavis@bayareanewsgroup.com)

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**BETHEL ISLAND** — Officials are hammering out a set of new fees that would permanently pay for the maintenance, repair and improvements on the levees in the Sacramento-San Joaquin River Delta.

The new fees explored by the committee identify beneficiaries of the levees inside the Delta, around the region and down into Southern California. The three fees are a flood prevention fee, aimed at industry and citizens, a water use fee and a water conveyance fee.

“It’s long been known that there are beneficiaries that do not pay — the Delta having levees benefits far more people than the residents of the islands protected.” said Nicole Bert, communications specialist with the Delta Protection Commission. “PG&E has utility infrastructure crossing the Delta; they benefit from not flooding. Railroads carrying freight across the Delta and certainly the exporters and contractors that rely on the Delta channeling fresh water to their pump benefit.”

The Delta provides two-thirds of California’s fresh drinking water and millions of acres of agriculture.

Over the past century, the levees have failed 160 times. Most notably in 1972 when the Andrus Island levee broke and 1,400 Isleton residents and 1,500 Andrus and Brannan residents were evacuated.

In 1973, the state authorized the Delta Levees Maintenance Subvention program, which lets local districts receive a 75 percent reimbursement from the state for levee maintenance. In the past 30 years, the levees have only broken once, with the Jones Tract levee failure in 2004.

The program was intended to provide 75 percent reimbursement for 10 years, then drop to a 50 percent reimbursement, but it has been extended through legislation over the years. A recent extension was put forth by Sen. Lois Wolk of Davis and was backed by Contra Costa County but faced opposition by a coalition of Southern California water agencies, which wrote that “it is simply unclear which Delta islands, if any, lack the economic standing to underwrite their own levee maintenance, and whether statewide interests merit a public subsidy for those levee improvements.

Gov. Jerry Brown [vetoed](#) the extension in October, citing work by the Delta Protection Commission on a more permanent source of funding.

“The group identified archetypes and assessed whether or not they were contributing,” Bert said. “They do pay taxes in California, but not to the proportion that they benefit.”

The report identifies six groups that benefit from the Delta: Delta communities, infrastructure, out-of-Delta water users, upstream dischargers, and state and public interests.

## DELTA LEVEE BENEFICIARIES

Delta Communities	Schools - Facilities - Personal Safety - Residents - Local Economy
Infrastructure	Power Lines - Railroads - Telecommunications - Pipelines - Highways - Ports
In-Delta Water Users	Delta Agriculture - Delta Municipal Users
Out-of-Delta Water Users	Central Valley Agriculture, Southern California Municipal Users
Upstream Dischargers	Wastewater and Stormwater Management
State and Public Interests	Public Safety - Ecosystem Health - Recreation - Economy

Beneficiaries of the Delta’s levees, as identified by the Delta Protection Commission.

While still in the preliminary planning stages, fees could potentially increase to all groups with the exception of state and public interests. The fees being considered currently take three forms:

a Delta Flood Prevention Fee for the first five groups; a Delta water user fee to infrastructure, both water user groups and upstream dischargers, and a conveyance fee to out-of-Delta water users.

The report doesn't specifically identify who would be assessed, as that decision is still up in the air, but the three fees were seen as ones that "could be reasonably implemented with reasonable acceptance and would most fairly address the situation," according to Bert.

The report and recommendations will be presented to members of the Delta Protection Commission subcommittee for the study on Dec. 8 in Sacramento.

## East Bay Times

# East County firefighters dispirited after third attempt at funding fails

By [Aaron Davis](#) | [aarondavis@bayareanewsgroup.com](mailto:aarondavis@bayareanewsgroup.com)

PUBLISHED: November 11, 2016 at 6:29 pm | UPDATED: **November 13, 2016** at 12:05 am

BRENTWOOD — East County firefighters heard Brentwood and Oakley voters loud and clear on Tuesday after shooting down the third, and some say final, attempt to better fund the fire district.

Nearly 61 percent of voters in Brentwood and over 67 percent of voters in Oakley voted against separate utility user taxes that would have added approximately \$8 million to the cities' general funds to then be used for the East Contra Costa Fire Protection District.

The next morning, a message from Chief Hugh Henderson to firefighters appeared on ECCFPD's Facebook page.

“Last night, the voters took another step backward and continued to not understand the lack of resources providing their safety,” Henderson wrote. “I am personally extremely disgusted in their actions.”

The recent failure of both measures was the third time in four years that voters said no to the district and the frustration was clear for many firefighters and their supporters.

“We will be operating in the district within the budget that the voters said they want us to operate in and the level of service the voters said they are satisfied with,” said Joel Bryant, vice mayor of Brentwood and president of the ECCFPD board of directors. “There will be times, just like there are almost every month, when someone calls 911 and there's no one to respond to them.”

The utility user tax proposed by the two cities was intended to maintain current stations and open one in Oakley and two in Brentwood. A Municipal Service Review from the county identified nine stations as being the ideal number for the district.

Currently there are four stations spread between Oakley, Brentwood, Discovery Bay and Knightsen. Funding for the station in Knightsen will run out by June of 2017, and with the failure of both utility user taxes in Brentwood and Oakley, its future is uncertain.

“We obviously supported both measures, but I think the firefighters out there were surprised,” said Vince Wells, president of United Professional Firefighters of Contra Costa County Local 1230. “They are running four stations, so the worst case scenario is they drop back to three. The fourth station is technically funded with one-time money.”

Firefighters in East County struggled to see the Rodeo-Hercules Fire Protection District's parcel tax pass with over 77 percent voter approval.

The level of funding allocated to the ECCFPD is still based on a model developed in the 1970s after the passage of Proposition 13, when the area was significantly more rural and had less than a quarter of its current population.

"With the history of Proposition 13, there was no mechanism at that time to adapt to the growth and change of a rural farming community to the area we have now," Bryant said.

Karen Rarey, newly elected to the Brentwood City Council, said that she will begin working with Oakley and the county to keep the station in Knightsen open. While Rarey did not explain what form that work will take, Bryant rejected the idea that the public would approve of transferring general fund money to ECCFPD.

"It's not in the budget to do so, and I don't imagine that the will of the community would be there either until there are some devastating changes," Bryant said. "To reallocate funds will mean reduction of services elsewhere ... and the residents have come to expect a certain level of quality of life that it will certainly impinge upon."

Rarey said she would "determine if it is feasible or not" for Brentwood to create its own fire department. If Brentwood were to leave the fire protection district and strike out on its own, Oakley would be left with a larger portion of the costs of providing fire protection.

To do so, Brentwood would need to get approval from LAFCO, the county's Local Agency Formation Commission, which regulates the formation of special district boundaries. Since law requires cities to provide fire protection, Oakley would also need to create its own fire protection district or fund ECCFPD itself.

"If the district dissolves, Oakley and Brentwood would both have to provide services for their community," Wells said. "Then they would have to come up with the money to fund their own department."

Another solution was proposed by the group called the East County Voters for Equal Protection. Their idea was to sit down all 29 entities that receive property taxes within the district and get them to agree to give up a portion of their allocation to the firefighters.

"They have to recognize there is a problem, that there is a crisis in fire and emergency medical services, and the solution is to shift some of their property tax funding over to the fire district," said Bryan Scott, co-chair of East County Voters.

Scott said that in other areas of the county, the property tax allocations between city and fire departments are more evenly balanced. He agrees that it is difficult to convince a government agency to give up some of its funding but thinks that it could be done one entity at a time.



In October, the county Board of Supervisors reallocated \$730,000 in property taxes from the Byron-Bethany Irrigation District to the ECCFPD, after finding that the irrigation district drew taxes from Discovery Bay but did not provide water to that area.

In response, the irrigation district tripled their agricultural water usage rates.

While a difficult pill to swallow, Scott and the East County Voters think that the property taxes could be balanced better between the 29 groups that receive them and that these agencies should voluntarily donate the money to ECCFPD. However, the process is governed by [revenue and taxation code](#) that also requires the transfer to not impair the agencies' ability to provide services and does not result in a reduction of property tax revenue to schools.

Wells and Bryant are skeptical of the reallocation and think that the Facebook frenzy around it played a role in the failure of the two utility taxes.

“I don't see us getting involved in another revenue measure at this level or anywhere in the near future,” Wells said. “The only options are going to be whether or not the two cities and the county want to attribute money from their general funds.”

Whatever next steps East Contra Costa County communities decide to take, firefighters and their proponents have become fatigued from the fight.

“There are no next steps,” Bryant said. “We have done all we can as a district.”

Read the [Municipal Service Reviews report here](#).

# **East Bay Times**

## **Editorial**

November 15, 2016

### **Of two fire taxes, only the clearcut one got passed**

Two Contra Costa fire districts in deep financial trouble. Two different appeals to voters in last week's election. Two disparate outcomes.

In West County, 77 percent of voters supported a \$215-a-year parcel tax for the Rodeo Hercules Fire District.

In East County, more than 60 percent of Brentwood and Oakley voters rejected a convoluted utility tax plan that lacked guarantees the money would go for fire service.

The lesson: Do your financial homework and ensure the money will go for its intended purpose. Voters are more likely to open their wallets.

To be sure, there are political challenges. Under California's convoluted tax rules, measures restricted to a specific purpose require two-thirds approval, while general taxes for any public use need only majority backing. It should be the other way around.

Rodeo Hercules proposed a straightforward parcel tax. The \$215-perparcel rate was hefty. Without it, the district would have gone broke.

District directors knew that, because they commissioned an independent financial analysis that showed, even with the tax, the district faces significant financial challenges. But the analysis provides a clear path forward.

Voters provided the required two-thirds approval. Now district directors must fulfill their part of the deal: keep costs down, pay off debt, save for capital needs, build up reserves and obtain concessions from firefighters.

The story in East County is different.

Rapid residential growth has outstripped East Contra Costa Fire District's resources. Because of historical anomalies of Proposition 13, the statewide 1978 property tax-cutting initiative, the district receives an unusually small share of tax revenues.

In 2012, the fire district asked voters to approve a parcel tax. But the district lacked a plan for solving its long-term budget woes even with a new tax. The tax required two-thirds approval and received just 44 percent.

In 2014, district officials tried to bypass the two-thirds vote requirement with a legally questionable and complex assessment district levy. Property owners would vote and be taxed in proportion to the theoretical benefit they received. The plan received just 47 percent approval.

This year, the district's largest cities, Brentwood and Oakley, again tried to bypass the two-thirds threshold. They proposed utility user taxes that needed simple majority approval.

Thus, the money could have been used for any legitimate city purpose. There were no guarantees it would go to fire service. Moreover, the taxes had no expiration date.

Voters saw through this. The taxes received 39 percent approval in Brentwood and 32 percent in Oakley.

East County officials can't keep approving more homes without adequate fire protection. And voters have shown they won't approve new fire taxes without clear financial plans and guarantees their money will be properly spent.

That's a reasonable demand.

## East Bay Times

# ViewPoints by Rob Schroder: New face on council, Measure D passes

By [Rob Schroder](#)

November 15, 2016 at 5:39 pm

The November elections are behind us now, and we can all exhale before taking another deep breath and forging on. We all have lots of work to do to bring this country together and moving forward.

I have a strong belief in our national, state and local governmental process, and we all need to support that system.

At the local level, the most recent campaigns for county, city and regional issues was lively, to say the least. Most were civil, with an extensive debate of the issues at hand. Others became personal and nasty with accusations being made from both sides.

I am very pleased that the race for the two seats on the Martinez City Council was an introduction of the candidates and their qualities with a civil debate on the priorities for the city's future.

Longtime City Council member Mark Ross was re-elected to a fifth term, and lifelong resident and businesswoman Noralea Gipner was chosen for the seat being vacated by Anamarie Avila Farias.

I am looking forward to working with them, along with incumbent council members Lara DeLaney and Debbi McKillop.

On Dec. 7, the council will reorganize, and Mark and Noralea will be sworn into office. Lara will be appointed as vice mayor, and I will make initial appointments to council subcommittees.

I would also like to congratulate my longtime friend and colleague, Federal Glover, on his re-election to the Board of Supervisors. I have known Federal since he was a city council member and mayor of Pittsburg, and have served with him on Contra Costa Local Agency Formation Commission (LAFCO) since 2002.

The best news for me in this last election was the passage of Measure D, the half-cent sales tax proposal to fix Martinez roads.

Martinez voters agreed, and saw the need to raise more revenue to accomplish this, and 71.35 percent of them voted in favor of the measure. It is expected that Measure D will generate more than \$2.1 million per year and will triple our budget for paving and road repair.

I would like to publicly thank my colleagues Lara DeLaney and Mark Ross for their hard work in getting signs out and being public advocates of the measure. Thanks to our treasurer, Paul Abelson, for paying the bills and making the FPPC filings, and also to Pete Sabine for developing and managing our social media campaign.

This small group of people managed to get the word out to voters with a successful result that will improve the infrastructure of Martinez for the next 15 years.

Rob Schroder is the mayor of Martinez. Email him at [rschroder@cityofmartinez.org](mailto:rschroder@cityofmartinez.org).



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## Jorgens Edges Smith for MOFD Division 5 Director

By Nick Marnell



Craig Jorgens

In keeping with the 2016 general election trend of a private citizen beating a well-known public official, retired business executive Craig Jorgens defeated Orinda Mayor Victoria Smith for the Division 5 director seat on the Moraga-Orinda Fire District governing board.

"Voters liked my engineering and financial background," said Jorgens, during a break from taking down his campaign signs the day after the election. "We knocked on a lot of doors and met a lot of new people."

Jorgens structured his campaign around his ability to manage the fire district's \$65 million unfunded pension and health care liability, mapping hot spots for more efficient fire and medical deployment and using data to improve MOFD response times in the Sleepy Hollow and El Toyonal neighborhoods of north Orinda.

"I learned a lot more about the fire district and I connected with more people. Casual friends became better friends, and I made a lot of new friends," Jorgens said. "I look forward to working with the other board members."

Smith came up 117 votes short despite her strong name recognition thanks to 12 years of public service on the Orinda City Council. "Sure I'm sad," she said of the results, but she harbors no regrets about leaving her

council post. "I've accomplished all I can there and it was time to move on."

For now, Smith will continue to serve on the board of the Strive for Change Foundation, an East Bay nonprofit that helps the working poor achieve economic self-sufficiency.

"I'll keep my eyes open," Smith said of future civic opportunities.

Jorgens replaces Alex Evans, who opted to not run for reelection to his north Orinda board seat.

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Published November 16th, 2016

## With its New Standards Of Cover, Moraga-Orinda Fire District adds to its Roadmap of Services

By Nick Marnell

The Moraga-Orinda Fire District updated its Standards of Cover for the first time in 10 years and though the document showed district performance goals falling within acceptable, recognized standards, it confirmed the frustration of longer Orinda response times, which continue to nag the district.

The Standards of Cover document analyzes MOFD's deployment of its fixed and mobile resources and their response to fire, medical and special emergencies within the district. Director Fred Weil described the work as an assessment of "how well we're doing and how we can do better." The 97-page document, loaded with charts, tables, graphs and maps and presented by Fire Chief Stephen Healy at the district's Nov. 2 meeting, focuses mainly on what the district can do to improve its emergency response times.

No governmental or legal requirements exist to regulate response times, but according to the Performance Goals and Objectives on Page 73 of the Standards of Cover, the district goal is to reach all medical emergencies within Moraga and Orinda in seven minutes or less and all fires or rescues in seven minutes and 20 seconds, 90 percent of the time. The Commission of Fire Accreditation International, an industry performance evaluator, considers those goals "Superior Service Levels" for a suburban fire district like MOFD. Orinda has always posed a response time problem for the district. Despite the fact that three fire stations are located in Orinda and two in Moraga, the district has long reported about a one-minute longer response time in Orinda than in Moraga. The September district incident report lists 56 total responses into Moraga at an average response time of 6.97 minutes 90 percent of the time, and 74 responses into Orinda at 8.23 minutes.

"The conclusion I've come to is that the street routes are oblique and therefore less direct. The roads follow the topography, which is a hilly terrain and not a grid," Healy said.

Outgoing director Alex Evans of north Orinda requested that the chief insert into the Standards of Cover what the district can do to shorten the Orinda response times. "We know what we know about the roads," Evans said, and he urged Healy to continue to work on improving the call processing time and to keep on the lookout for equipment that might navigate those roads more quickly.

Evans also suggested that the district include in the document how it can improve the substandard water flow out of the fire hydrants, notable the older ones in north Orinda. Healy explained that the general manager of the East Bay Municipal Utility District - which owns the fire hydrants - said EBMUD would pay for 10 percent of the cost to improve water flow, as long as the fire district puts up 90 percent, but the chief said that was not a realistic option for MOFD. Orinda residents voted in 2002 and again in 2006 against measures that would have funded fire hydrant and storm drain repairs.

The chief said that even considering the 2 percent of the 1,430 district hydrants that do not measure up to current water flow standards, MOFD can meet the needs for routine emergencies any place in the district with the use of its 2,500-gallon water tender, deployed at station 44 in Orinda. "I've never been to a fire in my 10 years here where I've said, 'If only we had a good water system,'" Healy said.

The Standards of Cover, the strategic plan, the long-range financial plan and the budget documents present an accountable roadmap for MOFD operations, and each report is published on the district website.

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## MOFD Breaks Ground, Begins Station 43 Construction

Groundbreaking for Moraga-Orinda Fire District fire station 43 took place Nov. 9 as the construction phase of the project begins in earnest. The new \$4.5 million Orinda station will be erected on the Via Las Cruces site of the razed station, which had deteriorated beyond repair. "The construction has proceeded on time, with no delays, and we are under budget," said Fire Chief Stephen Healy. "We have received cooperation from the city and the county and there have been no problems whatsoever." Completion is expected in October 2017. The firefighters work out of temporary quarters in the St. Stephen's Episcopal Church parking lot, less than 300 feet away from the station site. - N. Marnell



From left, Fire Chief Stephen Healy; architect Alan Kawasaki; board president Steve Anderson; Battalion Chief Sean Perkins; firefighter-paramedic Jared Costanza; neighborhood resident Ellen Dale; directors Brad Barber, Fred Weil and Kathleen Famulener; and Capt. Dan Dick Photo courtesy MOFD

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http://www.calaverasenterprise.com/news/article\_18120380-ad26-11e6-9ec6-7704ff76330c.html

HOT

## CPUD to sell water for Bay Area project

Critics concerned about impact on future Calaveras customers

By Sean P. Thomas sean@calaverasenterprise.com Updated Nov 17, 2016



Schaads Reservoir

The Calaveras Public Utility District is in talks to provide excess water stored in Schaads Reservoir to the Mokelumne River to a nearly 800-acre park and housing development in Contra Costa County.

The district, which provides water to about 5,400 customers primarily in San Andreas and Mokelumne Hill, has agreed to sell up to 200-acre-feet of water annually to the developers of the Tassajara Project at \$250 per acre foot of water, or \$50,000 per year.

CPUD Manager Donna Leatherman said the funds would help go toward a much needed pipeline project.

installation between the Schaads Reservoir and the new Jeff Davis Reservoir.

Leatherman said that last year the district was exploring options to pay for the \$11 million project, much of which will come from grants. The Contra Costa project gives the district the opportunity to fund the remaining portion of the project and potentially generate \$2.5 million in profit.

The water sale, however, hasn't passed without its critics.

The Calaveras Planning Coalition, a citizen's advocacy group, circulated a letter to the various agencies involved with the deal expressing concerns that Calaveras residents were left in the dark on the decision to sell the water.

In his letter, Tom Infusino, facilitator for the coalition, said the environmental impact report for the development downplays local concerns of selling water from the Mokelumne River supply to the "development" in Contra Costa County.

"Merely listing 'water supply' as a potentially controversial issue in the environmental report is too vague to alert people to the actual concerns," he wrote.

The letter said the revised draft Environmental Impact Report failed to provide a cumulative impact report on Calaveras County.

"Calaveras County is depending on new development in the CPUD service area to improve the aesthetics of local downtowns, to improve the efficient use of water resources, to finance transportation congestion relief projects and to reduce the need for people to commute to work, among other environmental benefits."

The environmental report says that, "because the project is not currently located within the service area of any existing public water system and there are no other existing or future customers, the availability for existing EBMUD and CPUD customers and planned future land uses would remain unchanged from conditions otherwise planned."

Leatherman said that the water scheduled to be released from Schaads Reservoir will have

impact, if any, on the utility district.

According to the agreement term sheet, the 200 acre-feet per year figure was requested to project ample room for any changes in water needs. The project is estimated to use approximately 200 acre-feet per year.

To put that in perspective, the Schaads reservoir typically holds anywhere from 1,400 to 1,800 acre-feet of water.

The terms of the team are broken into two, 25-year segments. After the first 25-year both parties will renew the lease for an additional 25 years.

Upon completion of an environmental review, approval of the project by Contra Costa County Agency Formation Commission and final approval of the lease agreement, CPUD will receive a \$50,000 lump-sum payment from the project's suppliers.

An additional \$200,000 will also be paid to CPUD upon final resource agency approval. The lump-sum payment will then be applied to the annual purchase price of the 25-year lease term.

To facilitate the transfer, CPUD will work with the East Bay Municipal Utility District to store the water released from the Schaads in EBMUD's Pardee Reservoir located south-east of the Schaads reservoir.

Due to CPUD's pre-1914 claim to the middle fork of the river, Schaads reservoir does not face the same "use it, or lose it," guidelines that other utility districts might have to contend with. In a district with post-1914 appropriative water rights could lose their rights to the water if unused for more than five years.

In the meantime, even some Contra County officials are questioning whether the project actually needs the CPUD water supply. Originally, the water supply evaluation for the project, dated 2015, listed a possible recycled water option that would have increased the use of recycled water from the EBMUD service to offset the use of drinkable water for landscape irrigation.

An offsite water conservation option was selected to replace the recycled water plan. The plan is to either expand EBMUD's drinkable water by funding water conservation at a level beyond what EBMUD approved in 2012, or increase the implementation of yet-to-be funded conservation measures.

Either option would work for the project's water demands, according to one Contra Costa County official.

"They need water and they had these different options," said Contra Costa County Planning Director John Osborne. "I think that's where the applicant is going, to use something that works before it becomes not a precedent."

"We don't need to go to Calaveras," said Osborne.

However, Calaveras remains the leading option.

The Tassajara Parks Project has undergone several changes since originally proposed in 2008. The original New Farm. New Farm had originally planned to include 185 houses, mostly of the larger variety.

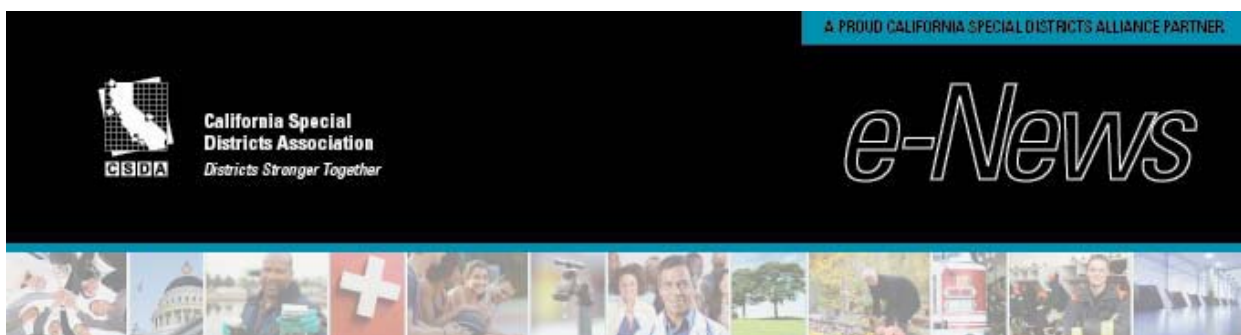
That plan was quickly panned by area environmentalist and stakeholders, due to what they believe would create an opportunity for more urban sprawl.

"The public mainly is responding to the urban limit line move," said Osborne. "They are mainly concerned about it because the concern is it starts a precedent,"

Currently, the 125 single-family homes are planned for construction on a small, 30-acre plot on the northern site, with the remaining 135 split between the East bay Regional Park District and the Geologic Hazard Abatement District.

About 600-acres of the project will be set aside for preservation and will require no water development.

The period for comment was initially scheduled to close on Nov. 14, but on Nov. 10 the comment period was extended to Nov. 30. Written comments must be submitted by 5 p.m. on Nov. 30.



## Little Hoover's Last Meeting on Special Districts

On Wednesday, November 16, the Little Hoover Commission held its third and final public meeting as part of its review of special districts. The two hour “advisory meeting” focused on the role and relevance of healthcare districts. Unlike a traditional hearing with witness testimony, the Commission conducted this meeting in a roundtable format that facilitated a free-flowing discussion among invited participants from the special district and healthcare fields.

Commission Chair Pedro Nava presided over the advisory meeting, and Commissioners Janna Sidley and David Beier actively engaged with probing questions. Three prompts set the foundation for the discussion:

1. How healthcare districts are rethinking their roles and relevance in an Affordable Care Act era that favors preventative care over traditional hospital care.
2. An assessment of the appropriate role of healthcare districts that no longer own or operate hospitals.
3. A look at ways healthcare districts without hospitals are modeling and offering a new menu of healthcare services.

In addition to the formal prompts, Commissioner Beier spent considerable time attempting to drill down on how healthcare districts measure results and whether metrics are published and compared in order to improve performance outcomes. Additionally, Commissioner Sidley asked how healthcare districts coordinate with counties to prevent redundancies and overlap in services.

Representatives from Sequoia Healthcare District, Fallbrook Healthcare District, Grossmont Healthcare District, and the Association of California Healthcare Districts were invited, along with CSDA Advocacy and Public Affairs Director, Kyle Packham, to participate in the advisory meeting. Officials from several healthcare districts, including Peninsula Healthcare District and Redbud Healthcare District, attended the meeting as public participants and offered significant contributions to the discussion.

In addition to special district leaders, Commissioners heard from representatives of various hospital organizations and local agency formation commissions. Generally, participating healthcare districts conveyed the value and importance of preventative care, as well as the role healthcare districts play as conveners,

collaborators, and advocates for healthcare within the communities they represent. Perhaps more than any other issue, participants spent substantial time describing the uniquely important and distinct healthcare roles played by counties and special districts.

In early December, the Commission anticipates releasing an official written summary of the healthcare district advisory meeting discussion. Findings and recommendations drawn from this meeting will likely represent a substantial portion of the Commission's full report on special districts, due out in early Spring 2017. In addition to healthcare districts, the Commission is expected to emphasize water, wastewater, and flood control districts' climate change adaptation efforts, which it focused on at its second hearing October 27.

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## East Bay Times

# Moraga: EBMUD buys 604 acres to protect tap water quality



The 604 acre Carr Ranch in Moraga has been purchased by the East Municipal Utility District as a pollution buffer around its Upper San Leandro Reservoir. (File photo)

By [Denis Cuff](#) | [dcuff@bayareanewsgroup.com](mailto:dcuff@bayareanewsgroup.com)

PUBLISHED: **November 25, 2016** at 7:08 am | UPDATED: November 25, 2016 at 8:17 am

MORAGA — Nearly a square mile of scenic grazing land and oak forests in the Moraga hills is being purchased as a pollution buffer to protect a major East Bay drinking water reservoir and provide public hiking areas.

The East Bay Municipal Utility District agreed this week to spend \$4.5 million to buy the 604-acre Carr Ranch from the John Muir Land Trust in an unusual partnership deal between the conservation group and public water supplier for 1.4 million people.

The water district will own and maintain the land to manage wildlife and protect against pollution and silt runoff into the Upper San Leandro Reservoir, a major drinking water source for EBMUD customers on the west side of the Oakland-Berkeley hills.

The Martinez-based land trust will manage the land to provide low-key recreation such as hiking, wildlife viewing and enjoying scenic views of San Francisco and Suisun bays.

The Carr Ranch purchase is the first time the water agency and a local non-profit conservation group have shared joint responsibility for managing watershed lands that drain into a water reservoir, officials said.

Both organizations praised the partnership as permanently protecting the land and managing it for overlapping purposes.

“We both provide permanent environmental stewards for this important land,” said Linus Eukel, executive director of the John Muir Land Trust. “They (EBMUD) are stewards of the natural areas and water, and we are stewards of public recreation.”

Richard Skyes, EBMUD’s director of natural resources, called the Carr Ranch a vital addition to the more than 58,000 watershed acres that the district owns in the East Bay and in the Sierra foothills.

“EBMUD’s commitment to protect the environment for future generations is at the core of our mission,” Sykes said.

Land trust officials said they expect to provide some public access to the property by next summer.

The land trust took the lead in protecting the land by announcing in May, 2015 that the group had made a deal to buy the property for an undisclosed price from the Carr family, which has grazed cattle there for more than a century.

At the time, however, the land trust said it needed financial help in raising money to buy the land.

The water district passed on buying the land in 2012 because of other pressing financial needs, according to a district report. Since then, however, the district has come up with a plan to make more than enough money to buy the Carr Ranch by designating 430 acres of district land near Pinole as the Oursan Ridge conservation bank.

The water district will manage the conservation bank land to protect two threatened species, the California-red-legged frog, and the Alameda whipsnake, and then sell conservation credits to utilities or public agencies required to offset the environmental impacts from their construction or development projects.

Utilities such as PG&E or public agencies such as Caltrans have expressed interest in purchasing conservation credits from EBMUD to satisfy environmental requirements, said Jenesse Miller, an EBMUD spokeswoman.

“It’s an innovative way to continue to protect our watershed lands and drinking water,” Miller said.

While an agreement with natural resource agencies to approve the conservation bank is not quite final, East Bay officials are confident the bank can raise twice as much as the \$4.5 million cost of the Carr Ranch over time, district officials said.



## **Petaluma expanding its borders**

MATT BROWN

ARGUS-COURIER STAFF | November 27, 2016, 12:01AM

Petaluma officials took the first step towards expanding the city's southern boundary by annexing 19 parcels of county land to potentially create a future gateway to the city's core along Petaluma Boulevard South.

The Petaluma Planning Commission on Nov. 8 approved a proposal to annex the 17.2 acres into the city. The city council must also give the go ahead, before a county commission that oversees land use issues makes the final decision.

The annexation is a requirement laid out as part of the deal 10 years ago that created the Quarry Heights development at the Petaluma Boulevard South and Crystal Lane roundabout. Incorporating that land into the city created a so-called island of county land surrounded by city property, which the Sonoma County Local Agency Formation Commission said would eventually need to be brought into the city limits.

"The short of it is that when the Quarry Heights project was approved, it was approved as a two phase annexation," Kevin Colin, the city's deputy planning manager told the planning commission. "Islands are a no-no. They are prohibited. The purpose of that agency is to ensure orderly growth."

The area includes land on which the city has long planned to add a bridge over the Petaluma River, connecting Petaluma Boulevard with Caulfield Lane through the new Riverfront housing development under construction just across the river. Colin said that the area is ripe for mixed-use development and has the potential to be a revitalized entryway into the city for motorists exiting Highway 101 at the new Kastania off-ramp.

"We view this as an entry point to the city of Petaluma and a gateway to downtown," Colin said.

In approving the annexation, the planning commission designated the area for commercial and residential mixed-use. The area currently includes industrial parcels with storage and working yards, and single-family homes. No development is currently planned for the future annexed area, planning officials said. When a developer wishes to build in the area, they must conform to the new zoning and hook up to city services like water and sewer.

"My biggest concern here is the five properties whose existing uses would not be permitted," said Gina Benedetti-Petnic, a planning commissioner. "What are we doing with them?"

Heather Hines, the city's planning manager said that, over time, they would phase out and redevelop consistent with the changed zoning.

The parcels to be annexed are within the city's urban growth boundary, a voter-approved limit that dictates how far the city can extend. While the council must still approve the annexation, the move is likely a formality since the county LAFCO agency has required it.

The last time the city attempted to expand into its urban growth boundary, a proposed 10-acre annexation at Corona Road in 2015, the council overturned the planning commission recommendation after several neighbors voiced concerns.

Paula Butterworth, whose family has owned land for 80 years in the Petaluma Boulevard South area to be annexed, said she would rather remain in the county. She said the cost to upgrade the property to city service will be too great.

"I'm resentful about being forced into changing the use," she told the planning commission. "I'm feeling pressured by it and not feeling good about it. We're happy where we are and we don't want to annex in. It would be a huge expense."

Planning Commissioner Jennifer Pierre questioned why the residents would be forced to conform to the city's systems.

"If they are happily on septic, I don't understand why they need to hook up to sewer," she said. Planning officials said that it was city policy.

Jason Osborne, another resident in the area, said it would be nice to have city improvements, including sidewalks along Petaluma Boulevard South. He asked for the city to consider reducing the speed limit on the boulevard from 40 mph to 35 mph.

"Our family is very excited about the potential to have city services, especially police and fire being able to service us," he said.

(Contact Matt Brown at [matt.brown@arguscourier.com](mailto:matt.brown@arguscourier.com).)

## East Bay Times

# Kensington: Interim chief abruptly resigns after less than two weeks

**The new interim chief of the unincorporated town's 10-officer police force unexpectedly resigned "effectively immediately" on Nov. 25.**

By [Rick Radin](#)

PUBLISHED: November 29, 2016 at 2:08 pm | UPDATED: November 30, 2016 at 8:12 am



File photograph: Former Santa Clara Police Chief Kevin Kyle.

KENSINGTON — The new interim chief of the unincorporated town's 10-officer police force unexpectedly resigned "effectively immediately" on Nov. 25 after less than two weeks on the job.

Kevin Kyle, the retired former chief of the Santa Clara Police Department, was serving on a part-time basis as chief and community services district general manager until the governing board of the district could decide on a long-term solution to its leadership issues.

On Nov. 8, Eileen Nottoli and Sylvia Hacaj, a pair of candidates who talked during the campaign about making changes to the way the district is run, were elected to the community services district board, unseating two-term incumbent Chuck Toombs.

In his [resignation letter](#) to board President Len Welsh, Kyle wrote that after a period of "soul searching" over the Thanksgiving holiday, he decided that working part-time would be "insufficient to meet the district's challenges."

"Given the number of current issues and complex projects on the horizon, I do not believe the part-time schedule I am constrained by will allow me to achieve the excellence I demand of myself and the district deserves," he wrote.

Kyle took charge of the department Nov. 14 to replace Kevin Hart, a retired Alameda County sheriff, who resigned after serving on a part-time, interim basis for 16 months.

Both appointments came after Greg Harman, the district's last full-time chief and general manager, was terminated after a scandal in which a police sergeant's gun, badge and handcuffs was stolen by a prostitute in Reno.

The gun was later fired by the prostitute's pimp in an incident at a pawnshop.

The scandal came after years of dissension within the 5,000-resident community over allegations of harassment by officers of residents who had criticized the department's leadership, officer behavior and other issues.

Now, Nottoli and Hacaq could join incumbent Vanessa Cordova, who has been a critic of previous leadership, to form a new board majority that could make sweeping changes in how the district is organized or even decide to put it out of business.

In the past, some residents have advocated separating the police chief from the general manager position, which oversees the district's parks and recreation programs, while others have suggested that the department should be dissolved and police services contracted out to a neighboring department, such as El Cerrito.

Welsh called Kyle's resignation "quite disappointing" and said that he was trying to organize a closed session meeting, which would include Nottoli and Hacaq as new board members, on Sunday to determine how to fill the leadership gap following Kyle's departure.

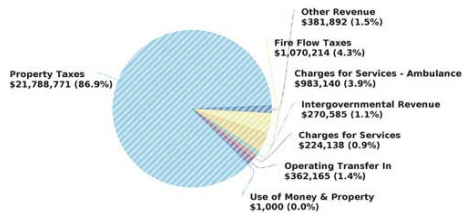
The district will hold its next public board meeting, in which it could take action, on Dec. 8, Welsh said.



Published November 30th, 2016

# MOFD Steps Up its Financial Transparency

By Nick Marnell



The Moraga-Orinda Fire District continued its march toward total financial transparency by contracting with OpenGov, a Redwood City consulting company, to produce software that allows complete access to district financial and budget information on the MOFD website.

For years the district struggled through major financial crises, including the miscalculation of a pension for its retiring fire chief, the discovery of a \$2 million error that reduced its general fund, and the recognition of an unfunded pension and retiree health care liability that hovered near \$100 million. On top of that, thanks to the Great Recession, came the property tax crash. Because revenue was not covering expenses, MOFD was forced to consider an action it had never proposed in its history: laying off firefighters.

In 2013 the turnaround began. MOFD fired its auditor, hired a new administrative services director and the following year appointed a financial manager to its board of directors. Working in a much improved economic climate, the district was able to not only balance its budget but also secure a 10 percent general fund reserve and reduce its unfunded pension and retiree health care liabilities to \$65 million. With better news came better reporting, and the MOFD Comprehensive Annual Financial Report, produced in 2014 and 2015, won the Government Finance Officers Association award, presented to agencies that produce easily readable and efficiently organized financials.

The OpenGov financial software, unveiled at the district's Nov. 16 board meeting, could win an award from the public based on its ease of use. Administrative services director Gloriann Sasser led the audience through the new software presentation of district financial accounts, including current and historical revenues and expenses, plus assets and liabilities. Pictured is the chart showing projected revenue for the current fiscal year.

To navigate the new software program, hover on the About tab on the MOFD website home page, then click the Financial Transparency heading. Complete instructions on how to use the software, along with Frequently Asked Questions, are posted there.

"It's terrific," said director Brad Barber, and Barber would know, as he is the financial manager appointed to the board in 2014.

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Published November 30th, 2016

## MOFD to Work to Improve Poor Water Flow in Orinda

By Nick Marnell



This hydrant on Charles Hill Circle in Orinda delivers substandard water flow. Photo Nick Marnell

Residents and board members have complained that substandard water flow to fire hydrants in north Orinda is so serious a community shortcoming that the Moraga-Orinda Fire District inserted water flow improvement as an additional element to its recently unveiled five-year Strategic Plan.

Outgoing north Orinda director Alex Evans has advocated for improved water flow in Orinda and Craig Jorgens, elected to fill Evans' seat, pushed for aging water pipe replacement in his campaign literature. Fire Chief Stephen Healy has maintained that even considering the 2 percent of the 1,430 district hydrants that do not measure up to current water flow standards of at least 500 gallons per minute, MOFD can handle routine emergencies any place in the district. But routine emergencies do not concern Orindans; they fear the potential of a serious wildfire that the inadequate water flow could not handle.

"It represents a significant risk to maybe the most vulnerable part of this district for a major catastrophe," Moraga resident and past board member Dick Olsen said at the Nov. 16 district meeting.

The catch for the district is that the underground piping infrastructure and the fire hydrants are owned by the East Bay Municipal Utility District. Healy recapped a recent meeting he attended with EBMUD officials who told the chief that the water district will pay for 10 percent of a pipe rebuild if MOFD pays for 90 percent. "I have a major problem with that from a public policy perspective," Healy said. "I was very disappointed when I walked out of that meeting."

"EBMUD is tone deaf about replacement of its infrastructure," added board president Steve Anderson.

The water company serves 1.4 million East Bay customers and has to be mindful of everyone's needs, according to EBMUD spokeswoman Andrea Pook. "We've been in conversation with MOFD regarding this issue for years," she said. "Our money is not our money. They are all ratepayers' dollars, and we have to be fair how we allocate them."

Understanding the political issues the district faces in this regard, the MOFD board agreed that just because it adds the water infrastructure project to the strategic plan, Healy will not be effective taking on the water district by himself. "We need to mobilize with cities and citizens' groups to encourage EBMUD to do its job better," director Brad Barber said. "It may mean for the city of Orinda to try again." Orinda residents defeated ballot measures in 2002 and 2006 to raise money for city infrastructure improvements, including hydrant and storm drain repairs.

The water district will hold a Fire Agency forum at its headquarters Dec. 13. On the meeting agenda appears an update on fire hydrant inspections. Healy and the MOFD board members plan to attend.

Though the success of the squeaky wheel may be overrated, "The wheel that never squeaks never gets the grease," Barber said, as he and the other four directors approved the water flow improvement project as part of the MOFD 2016-2021 Strategic Plan.

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Published November 30th, 2016

## Tatzin Wins 2016 Outstanding Commissioner Award

By Pippa Fisher



Don Tatzin Photo Pippa Fisher

The Statewide Local Agency Formation Commission recently honored Lafayette City Council member Don Tatzin with the 2016 Outstanding Commissioner achievement award.

The Lafayette City Council recognized Tatzin for his achievement at the Nov. 14 council meeting.

Not only has he spent 30 years on the Lafayette City Council, Tatzin also served on Contra Costa LAFCO since 1998 - initially as an alternate city representative, and since 2011, as a regular city member. LAFCOs are regional planning agencies located in all 58 counties of California.

Lou Ann Texeira, executive officer of Contra Costa LAFCO, presented the award at the city council meeting.

Mayor Mark Mitchell read aloud the nominating letter, which said that Tatzin exemplified the meaning of LAFCO in his ability to balance the competing interests of orderly growth and development while working to

preserve agricultural and open-space lands.

In addition to multiple accomplishments for LAFCO, the letter went on, "He is a skilled facilitator (and) negotiator, and (is) always willing to listen to both sides."

Tatzin commented, "There are many highly qualified and hard-working LAFCO commissioners throughout California. Being selected as Commissioner of the Year for the state was both a surprise and an honor."

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## The Press Enterprise

# Farmland in Redlands may give way to 40 homes; planning panel gives its OK

By SANDRA EMERSON / STAFF WRITER

Published: Dec. 1, 2016 Updated: 5:55 p.m.

The Redlands Planning Commission is recommending that the City Council approve a residential project to erect 40 homes on nearly 20 acres of land that the Jacinto family has owned for generations.

Larry Jacinto and his family are seeking to build the single-family homes on 18.54 acres on the east side of Wabash Avenue, between Highland and Citrus avenues in unincorporated San Bernardino County.

“This particular piece of property has been in the Jacinto family for 60 years,” said Pat Meyer, who is representing the Jacinto family. “They’ve been actively farming this grove for quite a while.”

The Planning Commission last week recommended that the council approve annexation proceedings, a zoning change to residential estate, General Plan amendment and other related documents. The commission agreed to not make a recommendation on the environmental documents, as they are still under public review.

In [September 2015](#), the commission was given a presentation on the project, which proposes turning the land into 40 residential lots, ranging in size from 14,039 square feet to 18,541 square feet.

City code requires unincorporated parcels within its sphere of influence to be annexed into the city as a condition of receiving water and sewer service.

If the council approves, the city and property owner will work with the Local Agency Formation Commission, or LAFCO, on the annexation.

“We’ve still got three or four months of processing back and forth with LAFCO to finally get it annexed and to start the final engineering and processing inside the city,” Meyer said.

As part of the General Plan update process, the General Plan Steering Committee discussed land use in the area of Wabash Avenue, said Carol Dyer, commission chair.



“We have been quite mindful of this area,” Dyer said. “We know it’s emerging and we’re trying to fit it together correctly with the existing land use and proposed land use in the county area.”

Two nearby residents addressed the commission on the project’s potential impact on traffic as well as their desire to have citrus trees and fewer homes built on the property.

The project’s proposed landscape does not include citrus trees because small pockets of citrus have proved difficult to maintain, Meyer said.

Instead, the project would mimic the foothill landscaping found in Mentone and Forest Falls, said Shawn Burch, landscape architect on the project.

“We’re keeping with a very Redlands theme, just not using the citrus trees,” Burch said.

The project would use dry streambeds for water retention, pine trees, pepper trees, palm trees and other mountainlike landscaping.

“This is going to be a very nice-looking landscape,” Burch said. “I was instructed to do something unique and something Larry and his family can be proud of and that’s what we’re trying to do here.”

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# To save SF Bay and its dying Delta, state aims to re-plumb California

BY JULIE CART [/ABOUT/STAFF/JULIE-CART]

RYER ISLAND—The report’s findings were unequivocal: Given the current pace of water diversions, the San Francisco Bay and the Delta network of rivers and marshes are ecological goners, with many of its native fish species now experiencing a “sixth extinction,” environmental science’s most-dire definition of ecosystem collapse.

Once a vast, soaked marsh and channel fed by the gushing Sacramento and San Joaquin rivers, the Delta has diminished dramatically over the previous century as those rivers and their mountain tributaries have been diverted to irrigate Central Valley farms and Bay Area urbanity. With winnowing supplies of Chinook salmon available for food, Orcas off the coast are starving. So, too, are seals and fish-eating birds. And the Gulf of the Farallones, a national marine sanctuary, is suffering from a lack of freshwater fed by the Bay.

Those grim conclusions (<http://thebayinstitute.org/sf-bay-freshwater-starved-estuary>) in this fall’s report by scientists at the Bay Institute, an environmental group focused on the bay’s ecosystem, would normally have set off alarm bells— except that those warnings have been sounding for decades. That’s about as long as state agencies have been in the planning process to re-plumb the region that supplies close to half of California’s water and supports world-leading agricultural production, fisheries and tourism.

The state’s goal: recalibrate the water flows that have drained vital rivers down to as low as 10 percent of their natural levels—just a fifth of the 60 percent flow scientists say is necessary to preserve the ecosystem.

But the mechanism for change—the state water board’s much-anticipated update to its Bay-Delta plan ([http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/bay\\_delta/bay\\_delta\\_plan/docs/091516\\_bay\\_delta\\_plan\\_update.pdf](http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/bay_delta_plan/docs/091516_bay_delta_plan_update.pdf))—is running “way, way behind,” according to board officials. The plan hasn’t had a significant update in more than two decades. And recent progress has been agonizingly slow.

The first of the plan’s phases—setting targets for turning the tap on and off on the vanishing San Joaquin river, and for reducing water salinity— has been six years in the making and

runs thousands of pages long. It isn't expected to be finalized until next summer.

After analyzing possible flow rates, the state board's staff, in its draft, sets a target that would have to be met: an "adaptive range" of 30 to 50 percent of the average unimpeded water flow for the San Joaquin River and its key tributaries, the Merced, Stanislaus and Tuolumne rivers. Such a flow, averaging about 40 percent, will "provide reasonable protection of fish and wildlife while moderating impacts to water supply for drinking water and agriculture."

The second phase will set water quality targets for the Sacramento River and its tributaries, including the Delta and its outflow.

In the third phase, at best a few years down the road, the state will play the role of Solomon, determining which competing parties get what amount of water. "It's when lawyers begin to line up in front of a judge," said Jon Rosenfield, the lead scientist on the Bay Institute report.

The state hopes to avoid that contentious period, instead encouraging the various factions to come to agreements on their own.

As is the way with California water policy, everyone's share of water is going to be cut, so no one is happy. Farmers predict fallowing of crops, Bay Area officials say impeding development will drive up housing prices, rural counties say the policies are inhibiting growth, and environmental groups still insist that not enough water is being set aside to maintain the health of the complex water system and the fish and wildlife that depend on it.

And, as the tedious, divisive planning process creeps along, the region's economy is at a standstill. Farms and harbors are in disrepair, private sector investments have withered, and residents are waiting for a consistent policy from Sacramento. Further adding to the uncertainty is the incipient presidency of Donald Trump, who, while campaigning in Fresno in May, proclaimed that it was "insane" to "shove water out to the sea" on behalf of endangered fish.

Nobody knows quite what to expect from a Trump administration, but it could try to undermine the state effort by withholding federal funds for restoration of the San Joaquin River and by relaxing federal Endangered Species Act protections. A Republican-controlled Congress also could weigh in by passing federal laws that could govern how water is divvied up.

"We all know that the Delta as it exists today is not sustainable," said Michael George, who serves as the Delta Watermaster ([http://www.waterboards.ca.gov/water\\_issues/programs/delta\\_watermaster/](http://www.waterboards.ca.gov/water_issues/programs/delta_watermaster/)) for the state Water Resources Control Board. "People have been waiting for a policy and no one is making any long term investments because the policy is so

uncertain. There's wariness. Nobody in the Delta wants Sacramento to do anything other than go away."

Amid the cacophony of claims and assertions about who owns water in California, there is one sobering point that all seem to agree upon: There's not enough water to satisfy all takers and that is not likely to change.

What will have to change is the way scarce water supplies are allocated. And that's where the fight begins.

"It's a game of musical chairs right now and we are missing about three chairs," said Chris Scheuring, a water lawyer for the California Farm Bureau Federation, which is fighting to preserve water supplies on behalf of the state's powerful agriculture industry. "It's a zero-sum game and somebody has to lose. The drought has intensified. Climate change is on the horizon. We have a declining snow pack. This is putting us on the path of an epic train wreck."

On a recent morning, the fog shrouding parts of the Delta was so dense that a pessimist might have seen it as a misty manifestation of the gloom enveloping the intense debate about the state's pending plans.

But the Watermaster is not given to negativity. George, whose background is as a water attorney, sees past the bitterness, the name-calling and the state's redlining spiral of water guzzling. He is focusing instead on the chance for an enduring agreement.

The situation has come down to powerful forces wrestling over a few drops. At any given time more than 80 percent of the water that would naturally flow through the various rivers, tributaries and sloughs feeding the Delta and Bay is siphoned off for storage, agricultural or municipal use. What comes out the south end, or into the San Francisco Bay, is often less a flow than a trickle. The San Joaquin River, for example, at some points has become almost a dry bed, its key tributaries also tapped (the Tuolumne, for example, feeds the Hetch Hetchy Reservoir that supports San Francisco.) As a result, last year less than 10 percent of the San Joaquin River's water was available to replenish the Delta.

Drought and climate change have transformed an intermittent crisis into a full-time emergency.

"We all recognize the Delta is broken, and there's blame to go around," said Heather Cooley, director of the Water Program at the Pacific Institute, a global water think tank. "Several years before the drought I would attend meetings and people said, 'Is there a water problem?' I don't think you would get that any more."

The catastrophic collapse of the estuary has driven the three-inch Delta Smelt ([https://www.fws.gov/sfbaydelta/species/delta\\_smelt.cfm](https://www.fws.gov/sfbaydelta/species/delta_smelt.cfm)) to the brink of extinction and decimated the Sacramento Splittail, as well as two runs of chinook salmon, Central Valley steelhead, among others. The first phase of the state's plan, by setting its 40 percent flow target, attempts to help fish populations recover.

Although that flow would amount to a veritable flood in sections that are seeing less than 10 percent of natural levels, it would still be one-third below the board's own 2010 analysis ([http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/bay\\_delta/deltaflow/docs/final\\_rpt080310.pdf](http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/deltaflow/docs/final_rpt080310.pdf)) that pegged 60 percent flow as best for fisheries recovery.

"If the 40 standard does anything beneficial for the fish, it sends them to extinction less quickly," said Rosenfield, of the Bay Institute. "Chinook salmon are the hardiest fish species we know of. They colonized every watershed from Monterey through Alaska to Japan. If Chinook salmon cannot live in your rivers, something is very, very wrong."

But water board chairwoman Felicia Marcus stressed that a 60 percent standard represents "what fish would have asked for if the fish could talk"—and that the final plan must balance the needs of all water users.

"I was stunned to see that over half the time we are diverting 80 and as much as 90 percent of water out of these rivers. That's gonna be tough on these fish," she said. "At the same time, people have to realize you can't put it all back. We're coming to grips with where we've been and where we need to go. We need to figure out how to share the rivers and water more thoughtfully, between human use and nature. It's a question of figuring out how to get there. It's not going to be easy."

What's good for the fish is often in conflict with the reality of a region that has been markedly altered by human hands. Nineteenth-century federal policy that favored bending nature to boost commerce meant draining the Delta's marshes and swamps to make way for farming islands and ever-growing settlement. Today an estimated 98 ([http://www.sfei.org/sites/default/files/biblio\\_files/DeltaTransformed\\_SFEI\\_110414.pdf](http://www.sfei.org/sites/default/files/biblio_files/DeltaTransformed_SFEI_110414.pdf)) percent ([http://www.sfei.org/sites/default/files/biblio\\_files/DeltaTransformed\\_SFEI\\_110414.pdf](http://www.sfei.org/sites/default/files/biblio_files/DeltaTransformed_SFEI_110414.pdf)) of the Delta's historic tidal wetlands have disappeared.

The state—and the estuary itself—has been struggling to accommodate all the claims on its waters.

"We don't have enough water to serve all of the demands that we put on it," George said, framing the obvious and most difficult issue in the debate. Not farms versus fish, not cities

versus rural areas, not California's age-old North verses South. It's an all-of-the-above crisis. The point is not that the state is simply going to run out of water, as a report on water myths ([http://www.ppic.org/content/pubs/report/R\\_1209EHR.pdf](http://www.ppic.org/content/pubs/report/R_1209EHR.pdf)) from the Public Policy Institute of California once noted. But it will have scarcity, said Jay Lund, one the report's authors and director of the Center for Watershed Sciences at UC Davis. "There a wonderful saying that economists have: There's not a shortage of water, there's a shortage of cheap water. If we are at all smart, we will make sure that we have enough water for the most important things. That's not going to be easy."

It's particularly difficult because everyone's favorite pastime is the blame game, said Jon Christensen, an environmental historian at UCLA's Institute of the Environment and Sustainability. "Farmers, cities, salmon fisheries offshore, people in Los Angeles, like myself, where some portion of my drinking water comes from the Bay-Delta. I'd like to think that history has bequeathed this responsibility to us. We are all in this together."

Driving along a misty levee above the Sacramento River, George swept an arm to take in what was once a bustling commercial corridor of towns and farms huddled by waterways that had been teeming with barge traffic.

Much of that farm-to-town economy is dormant, as investors have waited for consistent signals from Sacramento about the future of water policy. Farm machinery sits rusting and once-busy marinas and docks are choked with mats of invasive water hyacinth.

"The economy is stagnant, uncertainty about policy has been hanging there for a decade," said Jeffrey Michael, director of the Center for Business and Policy Research at the University of the Pacific in Stockton.

His group produced an economic study in 2011 that recommended against one of the state's largest water engineering projects ever, the proposed twin 40-foot wide Delta tunnels that would ferry water from the Sacramento River to serve cities and farms to the south. The project's supporters say the twin tunnels, the centerpiece of Gov. Brown's WaterFix (<https://www.californiawaterfix.com/>), would be an improvement on the current powerful pumping stations whose operations entrap threatened and endangered fish, and thus need to be shut down when the fish are running. The proposed twin tunnels, if ever built, would have to comply with the flow requirements and other standards set out in the Bay-Delta plan.

Regardless, the complex and often conflicting plans have added to the region's apprehension about its water future.

“These projects could turn the Delta into a massive construction zone for decades,” Michael said. “That’s an investment deterrent. The combination of uncertainty about the future of the Delta as well as the regulatory climate poses too much risk. The businesses out there today are on pretty thin margins. They are small enterprises that are not heavily capitalized. I am very concerned about their ability to survive.”

The farm bureau’s Scheuring said growers have adopted new water methods that have enabled them to produce twice the value of crops with the same amount of water as they required 30 years ago. Now, he says, farmers can’t give up any more water.

Neither can San Francisco, according to Charles Sheehan, spokesman for the city’s Public Utilities Commission. The region’s 2.6 million frugal customers are already consuming water at less than half the statewide average, he said. Less water has meant shorter showers, browner public parks and, officials say, restrictive economic development.

The commission’s analysis of the Bay-Delta plan envisions “serious economic impacts,” Sheehan said, especially in drought years. “This has the potential to restrict new housing development. Affordable housing is a big issue here.”

The collapse of the state’s water systems is taking a financial toll on other industries, such as the seafood business. Only about 3 percent of salmon survive the weeks-long journey through the Delta to the Pacific. Part of the problem is that salmon fry cannot survive in the Delta’s waters, which are now shallower and therefore warmer. The other is a deadly migratory collision—the fewer young salmon swimming downstream to the Bay, the more these new generations are wiped out in a feeding frenzy when they run into oncoming spring spawning runs of striped bass. That’s a hard blow on coastal businesses waiting on the other end of the pipe for salmon.

An October report ([http://www.st.nmfs.noaa.gov/Assets/commercial/fus/fus15/documents/o2\\_Commercial2015.pdf](http://www.st.nmfs.noaa.gov/Assets/commercial/fus/fus15/documents/o2_Commercial2015.pdf)) from the National Oceanic and Atmospheric Administration showed that between 2014 and 2015, the value of the California fishing harvest plummeted 53 percent.

It’s not only fish that can’t make it to the endpoint in the San Francisco Bay. Freshwater is in scarce supply, creating fewer stocks of fish that themselves support fish-eating birds and whales. Wetlands and beaches are missing the sediment that would have been carried along with high flows. And without the natural flushing action of arriving freshwater, a dangerous mix of pollutants and toxic algae blooms continues to accumulate and worsen water quality.

Across the state, people are lining up to recount similar tales of water woes. Often at the top

of their lungs. In recent months, Stanislaus County officials flatly accused state water officials of lying—and the rhetoric at a Merced County Board of Supervisors meeting got so overheated that one citizen compared the impact of the Delta plan on farmers to the Holocaust.

At the most recent meeting of the San Joaquin County Board of Supervisors, local water district representatives characterized the state water board's draft Bay-Delta plan as a "water raid" and a "dirty deal." The board unanimously voted to oppose the state draft after Les Grober, the water board's deputy director in the Division of Water Rights, was subjected to a verbal flaying.

"To propose any kind of change is never going to make everyone happy," Grober, a long-suffering veteran of many acrimonious public meetings, said in an interview. "We hear, 'How can you take our water?' But this is the water of the people of the state of California. The science tells us we need 60 percent flows for fish and habitat. On the supply side there is an unlimited demand for water. How do you balance all that? We have to keep talking about it."

Marcus, the state water board's hard-nosed but pragmatic chair, invites all the parties to engage in a "rational conversation instead of lobbing grenades from the corner.

"It's not the most comfortable place to be, people are always mad at you," she said. "But we are going to make these decisions. Either you help us make the decision or we are going to move. Our objective is to make this work."

Back in the Delta, George—himself an avid boatman—relishes showing off every waterway and marsh. Making it all work for as many groups as possible will be a heavy lift, he said, and requires careful, careful planning. But he's optimistic despite the President-elect's campaign comments, insisting he sees no indication from federal partners that the government would wish to undo what the state has put in motion. Even if the federal government delisted various threatened and endangered fish species—which would take years and need to be accompanied by an extensive scientific report—that would remove just one of many justifications for restoring flows. As far as the state board is concerned, increased flows are necessary for the health of the entire system.

"We are way behind and we feel it," he said. "I think we ought to be moving at warp speed. But before we move at warp speed, you better know where you are going to end up."