



Lou Ann Texeira
 Executive Officer

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February 8, 2017
 Agenda Item 8

February 8, 2017 (Agenda)

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

Fiscal Year 2017-18 Budget Schedule and Work Plan Preview

Dear Members of the Commission:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) establishes a specific process for preparing and adopting LAFCO’s budget. Government Code §56381 provides that the Commission shall adopt annually a proposed budget by May 1 and final budget by June 15, following noticed public hearings. Contra Costa LAFCO generally adopts a proposed budget in March and a final budget in May each year.

WORK PLAN PREVIEW

In conjunction with a proposed budget, the Commission sets out a work plan in March each year. The work plan typically includes goals and objectives such as preparing Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) updates, updating the Commission’s policies and procedures, and other projects and programs.

In 2013, the Commission participated in a strategic planning session to identify future goals and objectives. As part of the session, the Commission identified several priorities, including conducting 2nd round MSRs, being an active participant in the County’s fire/EMS studies (which were completed in 2014), updating the Commissioner Handbook (Policies & Procedures), and facilitating island annexations. A brief update on these activities is provided below.

MSRs/SOI Updates - LAFCO law provides that every five years the Commission shall, as necessary, review and update each SOI [Gov. Code §56425(g)]. The statute also provides that in order to prepare and update an SOI, the Commission shall conduct a MSR.

In 2013, the Commission completed its inaugural round of MSRs/SOI updates, and initiated 2nd round MSRs. To date, the following 2nd round MSRs/SOI updates have been completed:

- June 2014 - Water/wastewater MSR/SOI updates covering eight cities, 19 special districts, and private water companies
- November 2015 - Reclamation services MSR/SOI updates covering 14 special districts
- October 2016 – Fire/EMS MSR/SOI updates covering three cities and eight special districts

As part of the FY 2016-17 work plan and budget, the Commission approved preparing 2nd round MSRs including healthcare services covering three healthcare districts and County healthcare services, and cities/community services districts (CSDs) covering 19 cities and six CSDs.

Due to the preparation of two special studies (West Contra Costa Healthcare District and Rollingwood Wilart Park Recreation & Park District), one of which was unanticipated, there was a delay in initiating the 2nd round healthcare and cities/CSDs MSRs. Now that both special studies are complete, or nearly complete, staff is preparing for the healthcare services and cities/CSDs 2nd round MSRs. One of the items included on the February 8 meeting agenda for the Commission's consideration is a draft Request for Proposals related to the 2nd round healthcare services MSR. The cities/CSDs 2nd round MSR will follow.

Other services that are potential candidates for a 2nd round MSR in FY 2017-18 including cemetery (2010), parks & recreation (2010), mosquito & vector control (2010), and resource conservation (2010) – see attached MSR log. Given the magnitude of the cities/CSDs MSR, it is likely that work on this MSR will carry-over into FY 2017-18. Thus, staff recommends that the FY 2017-18 work plan include one new MSR.

Policies and Procedures Updates – In the past several years, the Commission made significant progress updating its policies and procedures, and adopted new *procedures* for the following changes of organization: city annexations/detachments, district annexations/detachments, district mergers, establishment of subsidiary districts, LAFCO-initiated proposals, new or different services, district dissolution, district formation, district consolidation, city consolidation, disincorporation, reorganization and out of agency service; and updated the *Membership and Rules and Procedures* policies. Contra Costa LAFCO now has procedures for each type of change of organization. Most recently, the Commission adopted a legislative policy, updated its policies to include broadband, and adopted an Agricultural & Open Space preservation policy. Next in the queue are policies relating to the following:

- ✚ Disadvantaged Unincorporated Communities (DUCs)
- ✚ Sphere of Influence
- ✚ Updating Procedures for Processing Multi County Boundary Change

Island Annexations - LAFCO continues to encourage local agencies to annex islands. County GIS recently updated LAFCO's island map which depicts islands that are 150 acres or less, most of which can be annexed without a protest hearing pursuant to Gov. Code §§56375.3. Since the map was originally created in 2012, no small islands have been annexed and one new island was created (Northeast Antioch Area 2A – Marina). We expect the island issue to be addressed in more detail in the 2nd round MSR covering cities/CSDs.

Growing Contra Costa LAFCO – Last year, the staff discussed with the Commission the possibility of growing Contra Costa LAFCO. The discussion focused on relocating the LAFCO and adding a position.

- ❖ **LAFCO Office** - Contra Costa LAFCO currently leases office space at 651 Pine Street in Martinez. LAFCO staff previously learned of an opportunity to relocate to 40 Muir Road in Martinez. This would allow LAFCO to expand its office space. The Commission was supportive and approved the FY 2016-17 budget which included costs associated with relocating the LAFCO on (or about) February 1, 2017. Unfortunately, the relocation has been postponed until further notice. The major tenant planning to occupy the entire second floor of the building has deferred their decision to move. Due to the need for major tenant improvements (e.g., heating, ventilation, air conditioning), it would be cost-prohibitive to relocate to 40 Muir Road until a second floor tenant is confirmed. In the meanwhile, LAFCO staff is exploring other options, including converting the storage room at our current location to an office; also, we have reserved office space in the new County building, to be constructed in the future. Should the conversion of existing office space be a viable option, we will include associated costs in the proposed FY 2017-18 budget.
- ❖ **LAFCO Staffing** – Contra Costa LAFCO currently employs two full-time staff – an Executive Officer and an Executive Assistant/LAFCO Clerk. In addition, we contract for a number of services including environmental planning, financial auditing, GIS/mapping, legal, webmaster, MSR and special studies. There is a desire to expand LAFCO staff in the future, as application activity increases, as we continue/expand our work on policies and procedures, to perhaps take on some inventive projects and programs, and to maintain our current level of involvement at a statewide level with CALAFCO and other stakeholders. In addition, it is desirable to have some level of “back-up” for the current LAFCO staff – either part-time or full-time. Adding an Analyst position could help meet these needs. As noted above, adding staff is contingent on expanding the LAFCO office space.

Updated information regarding LAFCO office space and staffing will be included in the March 8th budget report to the Commission.

Other Items of Interest – Over the past several years, Contra Costa LAFCO has hosted a series of informational presentations on local agency drought management efforts. LAFCO received presentations from most water and wastewater districts and the County Environmental Health Department. In the past, LAFCO has also received informational presentations from a host of other organizations including the Brentwood Agricultural Land Trust, Contra Costa Transportation Authority (Urban Limit Line/Measure J), California Emerging Technology Fund and East Bay Broadband Consortium (broadband services), as well as from potential project applicants (e.g., City of Oakley - East Cypress Corridor Annexations, City of Martinez - Alhambra Valley/North Pacheco Annexations, Town of Moraga - South Camino Pablo Annexation, etc.. In addition, the Commission receives periodic updates in conjunction with MSRs/SOI updates.

It would be valuable to hear from the Commission regarding future presentations and other items of interest. For example, at the January LAFCO meeting, Commissioner Skaredoff proposed having a presentation relating to watershed and flood and property control.

RECOMMENDATIONS

1. Provide input as desired;
2. Direct staff to present a Proposed Budget for review and approval at the March 8, 2017 LAFCO meeting; and
3. Direct staff to present a Final Budget for review and approval at the May 10, 2017 LAFCO meeting.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Contra Costa LAFCO MSR/SOI Updates Log

- c: All Contra Costa County Cities
 All Contra Costa County Special Districts
 Contra Costa County Administrator
 Contra Costa County Auditor-Controller

CONTRA COSTA LAFCO

Status of Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) Updates February 2017

Local Agency	Current MSR/SOI	Type of MSR	Next MSR
Cities City of Antioch	MSR (Dec 2008); SOI <i>reduced</i> (Mar 2010)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Brentwood	MSR/SOI <i>reduced</i> (Dec 2008)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Clayton	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Concord	MSR (Sept 2009); SOI retained (Oct 2009)	Central County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
Town of Danville	MSR (Sept 2009); SOI update pending	Central County Sub-Regional	2017
City of El Cerrito	MSR/SOI <i>retained</i> (Nov 2009)	West County Sub-Regional	2017
City of Hercules	MSR/SOI <i>retained</i> (Nov 2009)	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Lafayette	MSR (Sept 2009); SOI <i>retained</i> (Oct 2009)	Central County Sub-Regional	2017
City of Martinez	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
Town of Moraga	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Oakley	MSR/SOI <i>retained</i> (Dec 2008)	East County Sub-Regional	2017
City of Orinda	MSR (Sept 2009); SOI <i>retained</i> (Oct 2009)	Central County Sub-Regional	2017
City of Pinole	MSR/SOI <i>retained</i> Nov 2009	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Pittsburg	MSR (Dec 2008); SOI <i>expanded</i> (July 2009)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Pleasant Hill	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Richmond	MSR/SOI <i>reduced</i> (Nov 2009)	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of San Pablo	MSR/SOI <i>reduced/expanded</i> (Nov 2009)	West County Sub-Regional	2017
City of San Ramon	MSR (Sept 2009); SOI update pending	Central County Sub-Regional	2017
City of Walnut Creek	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
<u>Cemetery Districts</u>			
Alamo-Lafayette Cemetery District	MSR/SOI <i>retained</i> (Apr 2010);	Countywide Cemetery, Park & Recreation	TBD
Byron-Brentwood-Knightsen-Union Cemetery District	MSR/SOI <i>retained</i> (Apr 2010);	Countywide, Cemetery, Park & Recreation	TBD
<u>Community Service Districts</u>			
Crockett CSD (formed 2006)	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/Waste-water	2017
Diablo CSD	MSR <i>retained</i> SOI (Oct 2009)	Central County Sub-Regional	2017
Dublin San Ramon CSD	MSR (May 2014)	Countywide Water/Waste-water - Alameda LAFCO is principal	2017
Kensington Police Protection and CSD	MSR/SOI <i>retained</i> (Nov 2009); MSR (2011)	West County Sub-Regional (2009); Law Enforcement (2011)	2017
Town of Discovery Bay CSD	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/Waste-water	2017
Town of Knightsen CSD (formed 2005)	MSR/SOI <i>retained</i> SOI (June 2014)	Countywide Water/Waste-water	2017
<u>County Service Areas</u>			
CSA D-2 (Drainage - Walnut Creek)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA EM-1 (Countywide – Emergency Medical)	MSR (Aug 2016); SOI <i>retained</i> (Oct 2016)	Countywide Fire/EMS	TBD
CSA L-100 (Countywide - Streetlighting)	MSR/ <i>zero</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA LIB-2 (Library - Rancho El Sobrante)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-10 (Library - City of Pinole)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-12 (Library - Town of Moraga)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-13 (Library - cities of Concord and Walnut Creek)	MSR/SOI <i>expanded</i> SOI Feb 2013	Countywide Library	TBD
CSA M-1 (Misc Services - Delta Ferry)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-16 (Misc Services – Community of Clyde)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA M-17 (Misc Services - Tara Hills, Montlvin Manor, West Contra Costa)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA M-20 (Misc Services - View Pointe Subdivision)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-23 (Misc Services - San Ramon, Blackhawk, Danville)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-28 (Misc Services – Bethel Island)	MSR/SOI <i>retained</i> zero SOI (June 2014)	Countywide Water/Waste-water	TBD
CSA M-29 (Misc Services – San Ramon, Dougherty Valley)	MSR/SOI <i>retained</i> (Apr 2010); MSR (2011)	Countywide Park & Rec (2010); Law Enforcement (2011)	TBD

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
CSA M-30 (Misc Services – Alamo)	MSR (Apr 2010); <i>SOI affirmed</i> (Aug 2010); MSR (2011)	Countywide Park & Rec (2010); Law Enforcement (2011)	TBD
CSA M-31 (TDM Services – Pleasant Hill)	MSR/ <i>expanded SOI</i> (Apr 2013)	Misc CSAs	TBD
CSA P-2 (Police – Zone A – Blackhawk, Zone B - Alamo)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA P-5 (Police Protection – Roundhill)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA P-6 (Police Protection – Unincorporated Area)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA R-4 (Recreation – Moraga)	MSR (Apr 2010); <i>retained</i> (May 2013)	Countywide Park & Rec	TBD
CSA R-7A (Recreation – Alamo)	MSR (Apr 2010); <i>SOI update/expansion</i> (Apr 2012)	Countywide Park & Rec	TBD
CSA R-9A (Recreation - El Sobrante)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA R-10 (Recreation – Rodeo)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA RD-4 (Roads - Bethel Island)	MSR/SOI <i>retained</i> (Dec 2008)	East County Sub-Regional	TBD
CSA T-1 (Transit – San Ramon) (formed 2006)	MSR/adopted <i>provisional SOI</i> (Apr 2013)	Misc CSAs	TBD
<u>Fire Service</u> Contra Costa County Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service MSR	TBD
Crockett-Carquinez Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service	TBD
East Contra Costa Fire Protection District	MSR (Aug 2016); <i>provisional SOI</i> (Oct 2016)	Countywide Fire/ Emergency Service	TBD
Kensington Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service	TBD
Moraga-Orinda Fire Protection District	MSR (Aug 2016); <i>SOI retained</i> (Oct 2016)	Countywide Fire/ Emergency Service	TBD
Rodeo-Hercules Fire Protection District	MSR (Aug 2016); <i>provisional SOI</i>	Countywide Fire/ Emergency Service	TBD
San Ramon Valley Fire Protection District	MSR (Aug 2016); <i>SOI retained</i> (Oct 2016)	Countywide Fire/ Emergency Service	TBD
<u>Health Care Districts (HCDs)</u> Los Medanos HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
Mt. Diablo HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
West Contra Costa HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
<u>Irrigation</u> Byron-Bethany Irrigation District	MSR (May 2014)	Countywide Water/Waste-water - San Joaquin LAFCO is principal	TBD

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
East Contra Costa Irrigation District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/Wastewater	TBD
<u>Mosquito Abatement</u> Contra Costa Mosquito and Vector Control District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide	TBD
<u>Municipal Improvement</u> Bethel Island Municipal Improvement District	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	Included in RD MSR (Nov 2015)
<u>Municipal Utility</u> East Bay MUD	MSR (May 2014)	Countywide Water/Wastewater - Alameda LAFCo is principal	Included in Water/Wastewater(May 2014)
<u>Reclamation Districts (RD)</u> RD 799 (Hotchkiss Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 800 (Byron Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 830 (Jersey Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2024 (Orwood and Palm Tracts)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2025 (Holland Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2026 (Webb Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2059 (Bradford Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2065 (Veale Tract)	Adopted coterminous SOI (Nov 2015)	Countywide Reclamation	TBD
RD 2090 (Quimby Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2117 (Coney Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2121	Adopted zero SOI (Nov 2015)	Countywide Reclamation	TBD
RD 2122 (Winter Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2137	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
<u>Park & Recreation</u> Ambrose Recreation & Park District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide Park & Rec	
East Bay Regional Park District	N/A	Alameda LAFCo is principal	TBD
Green Valley Recreation & Park District	MSR (Aug 2008); SOI <i>reduced</i> (Oct 2009)	Agency-specific MSR	TBD
Pleasant Hill Recreation & Park District	MSR (Apr 2010); SOI <i>expanded/reduced</i> SOI (May 2010)	Countywide Park & Rec	TBD
Rollingwood-Wilart Recreation & Park District	MSR (Apr 2010); SOI update pending	Countywide Park & Rec	TBD

Local Agency	Current MSR	Type of MSR	Next MSR
<u>Resource Conservation</u> Contra Costa Resource Conservation District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide	TBD
<u>Wastewater</u> Byron Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Agency-specific	TBD
Central Contra Costa Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
County Sanitation District 6 (Alhambra Valley)	MSR/SOI <i>retained zero</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
Delta Diablo Sanitary District	MSR/SOI <i>reduced</i> SOI (June 2014);	Countywide Water/ Wastewater	TBD
Ironhouse Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
Mt. View Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
Rodeo Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
Stege Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
West County Wastewater District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
<u>Water</u> Castle Rock County Water District	MSR/SOI <i>adopted zero</i> SOI (Oct 2014)	Countywide Water/ Wastewater	TBD
Contra Costa Water District	MSR/SOI <i>reduced/expanded</i> (June 2014)	Countywide Water/ Wastewater	TBD
Diablo Water District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD