

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

March 8, 2017

Board of Supervisors Chambers
Martinez, CA

1. Chair Don Blubaugh called the meeting to order at 1:32 p.m.
2. The Pledge of Allegiance was recited.
3. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Federal Glover and Alternate Diane Burgis.
Special District Members Mike McGill (arrived at 1:34 p.m.) and Igor Skaredoff and
Alternate Stanley Caldwell.
City Members Rob Schroder and Alternate Tom Butt.
Public Member Don Blubaugh.

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

4. Approval of the Agenda

Upon motion of Andersen, second by Butt, Commissioners, by a vote of 7-0, adopted the
agenda.

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

5. Public Comments

Commissioners wished Chair Blubaugh a happy birthday—followed by a similar greeting to
Executive Officer Texeira.

There were no public comments.

6. Approval of February 8, 2017 Meeting Minutes

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

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

7. LAFCO 16-11 - Reorganization 191 (Faria Preserve West): Annexations to Central Contra
Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD)

The Executive Officer provided background on this proposal submitted by CCCSD to annex
9.7± acres to CCCSD and EBMUD. The subject area is located within the City of San
Ramon, west of Bollinger Canyon Road, north of Deerwood Drive, and West of San Ramon
Valley Blvd. Annexation to the two districts will allow for the extension of sanitary sewer and
water services to the property to serve 17 townhouse units.

In 2009, when LAFCO approved the Faria Preserve Reorganization, which included annexations to the City of San Ramon, CCCSD and EBMUD, the Commission voted to exclude this area from the annexations to CCCSD and EBMUD as it was designated open space and intended to house EBMUD water tanks, there was no apparent need for municipal water & sewer services to the area; and the area is outside the countywide ULL. However, recent project design revisions have resulted in the need to relocate 17 townhouse units to the 9.7± acre property. These residential units were part of the original total units approved by the City of San Ramon, for which CCCSD and EBMUD services were anticipated and considered as part of LAFCO's 2009 approval. The area proposed for annexation is within the City limits and also within the SOIs of the districts. Also, the City has confirmed that the property is within the City's Urban Growth Boundary (UGB).

Cindy Yee, representing the City of San Ramon, answered a number of questions from Commissioners, noting that the City is preserving over 80% of the 9.7± acres for open space/trail use; that the name *Faria Preserve* was given to the area by the original owner; that the conservation easement is held by the City's Geological Hazard Abatement District (GHAD). Commissioner Andersen noted that nearly every development in the western end of the San Ramon Valley has created or joined an existing GHAD (independent district that collects fees from homeowners) to protect from landslides and other geological hazards.

Additionally, Ms. Yee noted that these 17 units were part of the original plan, but in 2014, the new owner of the project modified its boundaries and moved these units north; they are simply a relocation. Less than one acre of the 9.7± acres will be used for these townhouses.

Russ Leavitt, representing CCCSD, added that the Commission has the option of drawing a different line for annexation, but it was easier to do the application for the entire area, as EBMUD will have a water tank in another part of this area, and the GHAD will be responsible for the entire open space.

Discussion ensued about the Countywide ULL, San Ramon's UBG (which, according to City staff, was established as part of the City's General Plan before the Countywide ULL was adopted), and LAFCO's policy of respecting ULLs and UGBs without being bound by them.

Upon motion of Schroder, second by Andersen, the Commission found that it has reviewed and considered the information contained in the CEQA documentation; approved the proposal to be known as Reorganization 191: Annexations to CCCSD and EBMUD, 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: Andersen, Glover, McGill, Schroder
NOES: Blubaugh, Butt (A)
ABSENT: Tatzin (M)
ABSTAIN: Skaredoff

8. Fire and Emergency Medical Services (EMS) Update

The Executive Officer noted that the 2nd Round Fire & EMS MSR, which was completed in August 2016, adopted provisional SOIs for East Contra Costa FPD (ECCFPD) and Rodeo Hercules FD (RHFD) based on ongoing and fiscal challenges, and requested an update in six months. ECCFPD provided a written update, which was included in the agenda packet.

The Commission also deferred SOI updates for the West County fire service providers based on recommendations in the MSR for these agencies to explore and pursue collaborative efforts relating to a standards of cover study, and other cooperative efforts. LAFCO requested an update regarding these efforts in six months. Kensington FPD (KFPD) provided an update via email, distributed today, with copies available for the public.

Chair Blubaugh invited representatives agencies present to provide oral updates.

Lewis Broschard, Contra Costa County FPD (CCCFFPD), reported that CCCFFPD, City of Pinole Fire Department, and RHFD had been working for 11 months to reach agreement on a collaboration whereby Pinole and RHFD would share the recruitment and hiring of a fire chief. In early February, RHFD began its own process for hiring a chief, thereby closing the door on collaboration. Pinole's police chief is currently serving as fire chief during the recruiting process.

Hugh Henderson, ECCFFPD Fire Chief, reported that in November 2016, voters approved having an elected board, and the first election will be held in November 2018. Both funding measures on the ballot in November to help fund ECCFFPD were defeated. The District will likely close its fourth station at the end of June 2017.

Commissioner McGill asked Chief Henderson if he could explain why ECCFFPD's past measures to increase funding for the District failed. Chief Henderson responded that people don't seem to understand the "insurance" concept of a fire district, despite the community education blitz mounted by board members. As for consolidation, Chief Henderson added that ECCFFPD doesn't have anything to offer to other agencies in consolidation discussions. ECCFFPD is serving 117,000 people with 12 firefighters. At any given time, there may be no resources available, and response time has gone from six minutes to 10 minutes, with 20-30 calls daily. A shift in public perception is needed.

Commissioners thanked Chief Henderson, who will retire at the end of March, for his service and perseverance. All agreed that he has excelled in his efforts to find solutions to a problem with no easy answers, and wished him all the best upon his retirement.

Upon motion of Andersen, second by Glover, Commissioners unanimously, by a 7-0 vote, directed staff to invite the fire chiefs and one of their elected representatives to report back to LAFCO in six months with further updates.

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

9. Fiscal Year 2017-18 Proposed Budget and Work Plan

The Executive Officer presented a proposed budget for Fiscal Year 2017-18, which is a status quo budget reflecting an overall decrease of 0.42%. A slight decrease in salary & benefit costs is anticipated due to a credit in LAFCO's retirement account. Services & Supplies expenses are expected to be comparable with the current year budget, and include carryover funding for two MSRs [healthcare and cities/community services districts (CSDs)]. These two MSRs were delayed this year due to the two special studies that were completed in 2016. Last month, LAFCO released an RFP for the healthcare services MSR. Proposals are due on March 17th.

Regarding Commissioner Tatzin's question about LAFCO prefunding or paying down its retirement liability through CCCERA, this option is possible. CCCERA indicates that there are little to no administrative costs, should Commissioners wish to add this to the budget.

As in the past, the year-end fund balance will be used to offset the apportioned contributions from the County, cities, and special districts. The FY 2017-18 estimate revenues associated with applications is based on a multi-year historical average and recent application activity, which has been steady. Staff also reviewed LAFCO's major responsibilities, FY 2016-17 accomplishments, and goals for FY 2017-18.

The current year budget included funding associated with a relocation, including five months rent at the new location and moving expenses. Unfortunately, the move has been delayed due to the prospective second floor tenant at 40 Muir Road backing out, making the move cost prohibitive for LAFCO. Recently, it has been suggested that 40 Muir Road may be needed to house County offices in conjunction with the County's plans to build a new County Administration building. Construction on the new building is expected to begin in 2018, with anticipated occupancy in December 2019. LAFCO staff will continue working with the County on relocation of the LAFCO office.

Regarding LAFCO staffing, while LAFCO staff believes that additional staff is reasonable, it is premature to add a staff position at this time due to office space limitations and uncertainties. Relocation is a prerequisite to adding staff, as there is no additional office space at our current location. Commissioner Andersen encouraged LAFCO staff to continue to work with the County Administrator's Office on relocation plans.

The proposed FY 2017-18 work plan includes completing the 2nd round MSRs covering healthcare services and cities/CSDs; completing reorganizations for West Contra Costa Healthcare District and Rollingwood Wilart Park Recreation & Park District; continued work on policies to address disadvantaged communities, MSRs, and procedures for processing multi-county boundary change applications; hosting a LAFCO strategic planning session; updating the LAFCO website and Directory of Local Agencies; and continuing our involvement with CALAFCO activities. Additionally, last month Commissioners discussed possibly including a 3rd MSR in FY 2017-18. Should the Commission wish to do so, adjustments to the FY 2017-18 work plan to accommodate a third MSR may be needed given the other projects on the horizon.

Chair Blubaugh opened the public hearing, but no one wished to speak, so the public hearing was closed and discussion returned to the Commissioners.

Discussion ensued regarding holding a strategic planning workshop separately from the regular meeting schedule, adding a staff member, and moving the LAFCO offices. Also of interest was setting up prepayments of retirement liabilities and if that could be done using the fund balance. Commissioners expressed support for an earlier move, which would allow for earlier hiring of an additional staff member, rather than waiting for the proposed new County Administration building to be completed.

Upon motion of McGill, second by Andersen, Commissioners, by a 7-0 unanimous vote, approved the budget as proposed for FY 2017-18 with an addition of \$30,000 for retirement liability prepayment; directed staff to distribute the proposed budget to the County, cities, and special districts; and scheduled a public hearing for May 10 to adopt the Final FY 2017-18 LAFCO budget.

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

10. Call for Nominations - 2017 Special Districts Risk Management Authority (SDRMA) Board of Directors

The Executive Officer presented a letter calling for nominations for the SDRMA Board of Directors. SDRMA provides LAFCO's workers' compensation and property/liability insurance through a joint powers agreement. There are four director seats (four-year terms) up for election in 2017. The term of office for the newly elected directors will begin January 1, 2018. The deadline for nominations is May 5, 2017.

Upon motion of Schroder, second by Butt, Commissioners unanimously, by a 7-0 vote, declined to nominate any candidates and appointed the current chair and vice chair to review the nominations when they are announced later this year, with recommendations for Commissioners' vote.

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

11. Correspondence

There were no comments regarding correspondence.

12. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Legislative Committee meeting on February 24 in Irvine.

Commissioner Skaredoff called Commissioners' attention to a March 15 Economic Forum on the Impact of the East Bay Regional Park District (EBRPD) of the Regional Economy, sponsored by that district.

13. Staff Announcements

The Executive Officer reported that she also attended the CALAFCO Legislative Committee meeting on February 24, and would attend the next Legislative Committee meeting in Sacramento on March 24. Also, in addition to the bills that CALAFCO is sponsoring and tracking, she noted that Assemblymember Frazier has introduced two spot bills to reallocate property taxes for fire service, one statewide and one exclusively for Contra Costa County.

A CALAFCO U course on "legislative advocacy" scheduled for March 13 has been postponed to May 4th, and it will be in Sacramento. Further details are forthcoming soon.

This afternoon Commissioner Tatzin is speaking to the Assembly Local Government Committee regarding healthcare districts and Contra Costa LAFCO's success with reorganizing the Mt. Diablo Health Care District into a subsidiary district of the City of Concord.

The Executive Officer and Commissioner McGill will be meeting with Assemblymember Tim Grayson on March 17 to discuss legislation relating to LAFCOs.

Finally, the Executive Officer reported that with no actionable items scheduled for April, the April meeting will be cancelled.

The meeting adjourned at 2:50 p.m.

Final Minutes Approved by the Commission May 10, 2017.

AYES: Andersen, Blubaugh, Glover, McGill, Schroder, Skaredoff, Tatzin

NOES:

ABSTAIN:

ABSENT:

By  _____
Executive Officer