



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, March 8, 2017, 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.

MARCH 8, 2017 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 February 8, 2017 regular LAFCO meeting

SPHERE OF INFLUENCE (SOI)/BOUNDARY CHANGES

6. ***LAFCO 16-11 – Reorganization 191 (Faria Preserve West): Annexations to Central Contra Costa Sanitary District (CCCSO) and East Bay Municipal Utility District (EBMUD)*** – consider reorganization proposal of 9.7± acres (APN 208-240-053) to extend sewer and water services to the property. The parcel is generally located east of Bollinger Canyon Road, north of Deerwood Drive, and west of San Ramon Valley Blvd in the City of San Ramon; and consider related actions under CEQA - ***Public Hearing***

BUSINESS ITEMS

7. ***Fire & Emergency Medical Services Update*** – receive an update on fire & emergency medical services in conjunction with the 2016 LAFCO Municipal Services Review/Sphere of Influence updates; provide input and direction
8. ***FY 2017-18 Proposed Budget and Work Plan*** - consider approving the proposed budget and work plan for FY 2017-18 - ***Public Hearing***
9. ***Call for Nominations – 2017 Special Districts Risk Management Authority (SDRMA) Board of Directors*** – the Commission will receive information regarding a call for nominations for the SDRMA Board of Directors and be asked to consider submitting a nomination.

CORRESPONDENCE

10. Correspondence from Special District Risk Management Authority (SDRMA) - Property/Liability and Workers' Compensation Longevity Distribution

INFORMATIONAL ITEMS

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

ADJOURNMENT

Next regular LAFCO meeting – May 10, 2017 at 1:30 p.m.

LAFCO STAFF REPORTS AVAILABLE AT http://www.contracostalafco.org/meeting_archive.htm

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

February 8, 2017

Board of Supervisors Chambers
Martinez, CA

March 8, 2017
Agenda Item 5

1. Chair Don Blubaugh called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. The Chair welcomed Diane Burgis as the alternate county member. County Counsel Sharon L. Anderson delivered the oath of office to Commissioner Burgis.
4. 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 and Igor Skaredoff and Alternate Stanley Caldwell.
City Members Don Tatzin and Alternate Tom Butt.
Public Members Don Blubaugh and Alternate Sharon Burke.

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

5. Approval of the Agenda

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

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

6. Public Comments

There were no public comments.

7. Approval of January 11, 2017 Meeting Minutes

Upon motion of Glover, second by Andersen, the minutes were approved by a vote of 6-0 with one abstention.

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

8. Knightsen Town Community Services District (KTCSO) Update

The Executive Officer provided background, noting that when LAFCO completed its 2nd round MSR covering water and wastewater services in 2014, one of the agencies that elicited concern was the KTCSO with its lack of facilities, services and programs. Similar concerns were raised in the 2008 1st round MSR. Both MSRs recommended a zero SOI for the District, as the District had not provided any physical services since its inception in 2005. However, at the LAFCO hearing in 2014, both the District and the County spoke in favor of retaining the District's SOI, given that the District was making progress on grant funding and land

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acquisition. The Commission adopted a resolution retaining the existing SOI and requiring the KTCSD to provide progress reports to LAFCO annually until the next MSR cycle.

Steve Ohmstede, Chair of the KTCSD, and Mitch Avalon, Project Consultant, presented a progress report on the District, noting that it is now up to date with governance requirements such as budgeting, board makeup, and financial audits. Highlights of the District's major flood control project were provided. Mr. Ohmstede noted that the KTCSD is working with County Flood Control, East Bay Regional Parks District, and East Contra Costa County Habitat Conservancy (ECCCHC) on a Memorandum of Understanding in conjunction with the purchase of 645 acres of land by the ECCCHC, which is interested in a habitat and restoration project that can also serve as a collection area for KTCSD's stormwater runoff. Secondly, there is already a stormwater collection basin on Delta Road, as well as initial plans for conveying stormwater from Knightsen's downtown area to a County-owned site at the intersection of Knightsen Avenue and Eden Plains Road.

Additionally, the District, which now has close to \$200,000 in savings from its assessments, will likely increase that assessment in the upcoming fiscal year as it prepares for its largest project, outlined above.

Finally, the District is working on developing a website, which will convey information on its projects and also will provide information to individual property owners who want to construct their own water collection and/or conveyance systems.

Mitch Avalon provided further details, with maps, on the 645-acre project, and noted that he has been working on this for years and is pleased that it continues to move forward.

Following Commissioner questions and discussion, the Commissioners thanked Mr. Ohmstede and Mr. Avalon for their report, and complimented them on developing a project that is more comprehensive and has greater community and environmental value than a simple flood control project.

9. Rollingwood Wilart Park Recreation and Park District (RWPRPD)

The Executive Officer provided a brief background summary which led to preparing the special study of the RWPRPD. The study identifies governance options for the District, including dissolution. The study was conducted and the report prepared by Richard Berkson of Berkson Associates. A public review draft was released in December and underwent a 30-day public comment period.

Richard Berkson reported that subsequent to the public review draft presentation, he and Executive Officer Teixeira met with the RWPRPD Board to discuss the options, and then with the Economic Development/Project Management Standing Committee of the San Pablo City Council to explore the possibility of that city's annexing the Rollingwood area and taking over parks & recreation services. On February 6, the San Pablo City Council received a staff report which provided City staff's assessment of the Rollingwood Recreation Center. The City Council discuss the LAFCO study and governance options and made the decision to go forward with a fiscal study to analyse annexing the area.

According to Mr. Berkson's analysis, the City of San Pablo would receive tax revenue in excess of \$94,000 per year. The annexation could result in a tax increase for residents of the RWPRPD area.

The Executive Officer reported that LAFCO received a letter from the San Pablo City Manager confirming the City's intent to conduct a fiscal study. In response to a question from Commissioner McGill, staff confirmed that the entire RWPRPD area is under 150 acres, so annexation would not be subject to a protest hearing.

Following further discussion regarding the option of dissolution vs. annexation to San Pablo, Commissioners agreed to defer any decision to reorganize or dissolve the RWPRPD pending the City of San Pablo's annexation study.

Upon motion of Butt, second by Tatzin, Commissioners unanimously, by a 7-0 vote, approved the RWPRPD special study report, urged the City of San Pablo to go forward with its fiscal study, and deferred further action pending the City's study.

AYES: Andersen, Blubaugh, Butt (A), Glover, McGill, Skaredoff, Tatzin

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

10. Fiscal Year 2017-18 Budget Schedule/Work Plan Preview

The Executive Officer introduced a preliminary work plan for FY 2017-18, which includes goals and objectives such as MSRs & SOI updates, policies & procedures updates, and other projects.

Due to two special studies undertaken in FY 2016-17, the healthcare services and cities/community service districts (CSDs) 2nd round MSRs were delayed. An RFP for the 2nd round healthcare services MSR is being presented for approval at this meeting, and a 2nd round MSR on cities/CSDs will carry over into FY 2017-18.

The Executive Officer presented a table summarizing which 2nd round MSRs could be scheduled for FY 2017-18. Commissioners expressed interest in moving forward with another MSR in FY 2017-18, and grouping service types as was done in the past.

Regarding moving the office and hiring another staff member, the Executive Officer noted that space for LAFCO has been included in the plans for the new County Administration Building, but that there is still some possibility of moving to 40 Muir Road, depending on whether that space finds a second-floor tenant to share in the costs of finishing the interior.

As for staffing, Commissioner Tatzin requested a description of the three separate jobs as envisioned, and asking that the staffing plan include a summary of how LAFCO and local agencies would benefit from an increase in LAFCO staff, an indication of any related cost savings.

Commissioner Tatzin also recommended that the Commission could benefit from receiving informational presentations about some of the JPAs that LAFCO is now collecting (e.g., solid waste, transit, etc.).

Staff will prepare a Proposed Budget for presentation at the March 8 regular LAFCO meeting.

11. 2nd Round Healthcare Services Municipal Services Review (MSR)/Sphere of Influence (SOI) Updates

The Executive Officer presented a Draft RFP for a 2nd Round Healthcare Services MSR/SOI Updates, with several focus areas including 1) updating the date in the 2007 MSR, 2) looking

at what HCDs are doing to stay relevant and meet changing healthcare needs, and 3) identifying opportunities for collaboration among healthcare providers.

This is timely, as LAFCO recently completed a special study on the WCCHCD, providing current information on that district. Also, there is discussion statewide regarding healthcare services. The Little Hoover Commission recently formed a subcommittee to focus on healthcare districts and their evolving role now that over 50% of these districts no longer own and operate hospitals, and given the changing needs in healthcare services.

The Draft RFP includes a proposed selection process, timeline and draft scope of service.

Upon motion of Tatzin, second by Andersen, Commissioners unanimously, by a 7-0 vote, approved the RFP and authorized its circulation immediately.

AYES: Andersen, Blubaugh, Butt (A), Glover, McGill, Skaredoff, Tatzin

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

12. Correspondence

Commissioner Tatzin, referencing the correspondence from CCCERA, asked if we can prepay a portion of our unfunded liability in order to have a better contribution rate. Staff will follow-up.

13. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Board meeting and retreat in San Jose on January 11 and 12, a CALAFCO Legislative Committee meeting on January 27, and will attend the next CALAFCO Legislative Committee meeting on February 24 in Irvine.

14. Staff Announcements

The Executive Officer reported that LAFCO has received a letter from the State Controller regarding Reclamation District 2121 and its lack of activity. Staff will work with the property owner to determine the next steps in response to this.

The meeting adjourned at 2:29 p.m.

Final Minutes Approved by the Commission March 8, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

March 8, 2017 (Agenda)

March 8, 2017
Agenda Item 6

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

PROPONENT Central Contra Costa Sanitary District by Resolution No. 2016-038 adopted September 15, 2016

SYNOPSIS The applicant proposes to annex 9.7± acres (APN 208-240-053) located within the City of San Ramon, to the west of Bollinger Canyon Road, north of Deerwood Drive, and West of San Ramon Valley Blvd., at the northwest corner and edge of the approved Faria Preserve Community development (Attachment 1). Annexation will bring the property within the service boundaries of CCCSD and EBMUD, and will allow for the provision of sanitary sewer and water services to the property to serve 17 townhouse units.

DISCUSSION

In 2009, LAFCO approved the Faria Preserve Reorganization (LAFCO 08-27), which included annexation of 290+ acres to the City of San Ramon, 272+ acres to CCCSD and 251+ acres to EBMUD. At that time, the Commission approved annexation of the 9.7+ acre property to the City of San Ramon because the City indicated that the area was within the City's voter approved Urban Growth Boundary (UGB), and the area was needed for the City to meet its ratio of urban/non-urban land use. The City confirms that this ratio has been met.

In 2009, the Commission voted to exclude this property from the annexations to CCCSD and EBMUD for the following reasons: 1) the area is outside the countywide voter approved Urban Limit Line (ULL), 2) this area is designated open space and intended to house the EBMUD water tanks, and 3) it was determined that there was no need for municipal water and sewer services to this area.

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 service by CCCSD and EBMUD was already anticipated and considered as part of LAFCO's 2009 approval.

Government Code §56668 sets forth factors that the Commission must consider in evaluating a proposed boundary change as discussed below. In the Commission's review, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence (SOI) of Any Local Agency:

The area proposed for annexation is within the SOIs of CCWD and EBMUD. The subject area is within the City of San Ramon's voter approved UGB, but outside the County's ULL.

2. Land Use, Planning and Zoning - Present and Future:

The site is currently undeveloped. The City indicates that the adjoining property (APN 208-240-054) will be deeded to the East Bay Regional Park District (EBRPD) and remain open space. Areas north of the residential portion of the project will be open space; a conservation easement will be recorded. Directly due east and south of the 17 units is future residential development for 618 units as approved through Vesting Tentative Map 9342.

Based on the City's 2006 Northwest Specific Plan, the proposal area has two zoning designations: Open Space [North West Specific Plan (NWSP)-OS] which provides for open space areas with limited passive recreation and agricultural activities, and High Density Residential District (NWSP-HDR) which provides for residential development at a density of 22-30 dwelling units per net acre. The City's General Plan designations are Open Space and Multi Family High density. Of the 9.7± acres proposed for annexation, 0.76± acres will be developed adjacent to other approved development; and the majority of the property (8.94± acres) will be preserved as open space.

The project site is bounded on the west and north by open space, on the east by open space and residential (under construction), and on the south by residential (under construction).

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands and Open Space Lands:

The project site was previously used for grazing. No portion of the subject area is subject to a Williamson Act Contract.

The subject area will remain primarily open space through a conservation easement. This includes an access road to the future EBMUD water tanks, which will also serve as a continuation of an existing trail to and from EBRPD parklands.

4. Topography, Natural Features and Drainage Basins:

The subject property is characterized by upwards sloping to the east with a variety of slopes forming ridges and valleys. The City indicates that grading of the property will occur in accordance with the vesting tentative map.

Surrounding topography includes rugged terrain to the east and south, characterized by a variety of slopes forming high ridges and low valleys; to the north, there is also rugged terrain with higher elevations; and to the west, similar terrain with downward sloping toward Bollinger Canyon Road and Bollinger Creek.

5. Population:

Development of 17 townhouses is planned for the annexation area. The estimated population increase for the annexation area is approximately 50 people based on the 2016 California Department of Finance estimate of 2.91 persons per household for the City of San Ramon.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Regional housing needs are determined by the State Department of Housing and Community Development; the councils of government throughout the State allocate to each jurisdiction a "fair share" of the regional housing needs (Gov. Code §65584).

In Contra Costa County, the Association of Bay Area Governments (ABAG) determines each city's fair share of regional housing needs. Each jurisdiction is required, in turn, to incorporate its fair share of the regional housing needs into the housing element of its General Plan. In July 2013, ABAG adopted the 2014-2022 Regional Housing Needs Allocation (RHNA) Plan for the San Francisco Bay Area. The RHNA Plan includes the following allocations for the City of San

Ramon: total RHNA is calculated at 1,417 units, including 340 above moderate, 282 moderate, 279 low and 516 very low income units. The proposed annexation includes a total of 17 townhouses residential units which would help the City meet its current regional housing obligation for above moderate units.

7. **Governmental Services and Controls - Need, Cost, Adequacy and Availability:**

Whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall also submit a plan for providing services within the affected territory (Gov. Code §56653). The plan shall include all of the following information and any additional information required by the Commission or the Executive Officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The proposal before the Commission is to annex the property to CCCSD and EBMUD for the provision of sanitary sewer and water services, respectively. Municipal services are needed to support development in the area. The annexation area is currently served by various local agencies including, but not limited to, the City of San Ramon and San Ramon Valley Fire Protection District.

Sewer Services – CCCSD currently serves an estimated population of 481,600 residents in a 145-square-mile service area. CCCSD's wastewater collection system consists of 1,500 miles of sewer mains with 19 pump stations. The majority of CCCSD's system operates with gravity flow with some pumping stations and force mains. All sewer connections to the subject property will be either gravity flow or individual residential pump systems. CCCSD's wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 30.8 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a permitted discharge limit of 53.8 mgd.

Based on 17 townhomes planned for the annexation area, the maximum demand for service is approximately 1,785 gallons of wastewater per day. CCCSD has infrastructure in the area and serves surrounding properties. CCCSD has the capacity to serve the project.

All gravity mains required to serve the affected parcels will be 8-inch diameter or up to 2-inch diameter for pressure mains (CCCSD's minimum size). All laterals will be 4-inch diameter (CCCSD's minimum size for gravity laterals), or 1¼ to 2-inch diameter pump laterals (CCCSD's minimum size for pump laterals, depending on the specific pump type installed).

All capital costs including any required sewer main extensions, along with connections fees, will be borne by the property owner/developer. CCCSD funds the maintenance of all sewers through its annual sewer service charge.

Private parties pay for all sewer main extensions. CCCSD fees are established such that new connectors "buy into" the system with connection fees; and the annual sewer service charge pays for maintenance and repair of the sewer system and wastewater treatment plant.

8. Timely Availability of Water and Related Issues:

Pursuant to the CKH, LAFCO must consider the timely and available supply of water in conjunction with a boundary change proposal. Contra Costa LAFCO policies state that any proposal for a change of organization that includes the provision of water service shall include information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The proposal before the Commission includes annexation of the subject property to EBMUD. EBMUD provides potable water services and limited wastewater collection and treatment services in portions of the District's service area. The EBMUD service area is approximately 331 square miles (Contra Costa and Alameda counties). EBMUD provides potable water to approximately 1.3 million people within the two-county service area. Within Contra Costa County, EBMUD provides water service to a 146+ square mile service area, serving an estimated 477,212 residents.

EBMUD's water supply is distributed through a collection system consisting of aqueducts, reservoirs, and other components. The primary source of water supply for EBMUD is the Mokelumne River; this watershed accounts for 90 percent of EBMUD's water supply. EBMUD's existing water rights allow the delivery of up to 325 mgd or approximately 364,046 acre-feet per year of water from the Mokelumne River.

EBMUD's water rights are subject to variability, particularly during dry and multiple dry years. The availability of the Mokelumne River runoff is subject to senior water rights of other users, downstream fishery flow requirements, and other Mokelumne River water uses. Given the variability, EBMUD indicates that supplemental water supply sources are needed to meet future water demand during extended periods of drought.

The Freeport Regional Water Facility is a regional water supply project that provides supplemental water supply to EBMUD during dry years, as part of the Central Valley Project (CVP), a federal water management program. During periods of drought, EBMUD receives CVP water from its Freeport Regional Water Facility to augment its water supply. The U.S. Bureau of Reclamation (USBR) provides supplemental water supply during dry and multiple dry years to ensure the reliability of EBMUD's water supply. In conjunction with the request to annex the property, EBMUD is also seeking approval from the USBR.

The costs for water supply and system capacity charges (connection fees) will be borne by the project sponsor. Ongoing maintenance will be paid for through water rates collected by EBMUD.

Based on 17 townhomes planned for the annexation area, the maximum demand for service is approximately 199 gallons of water per day. EBMUD has the capacity to serve the project as noted in their will serve letter.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within tax rate area 17138. The assessed value for the annexation area is \$42,440 (2016-17 roll). The territory being annexed shall be liable for all authorized or existing taxes and bonded debt comparable to properties presently within the annexing agencies.

10. Environmental Impact of the Proposal:

In December 2006, the City of San Ramon, as Lead Agency, prepared and certified the Northwest Specific Plan/Faria Preserve Community Environmental Impact Report (EIR); adopted a Mitigation Monitoring and Reporting Program (MMRP), findings and a statement of overriding considerations; and approved the NWSP and related rezoning for the Faria Preserve. The MMRP contains a number of mitigation measures relating to municipal services, and specifically hydrology/water quality and traffic/ transportation. The MMRP includes mitigation measures to address potential impacts to surface and groundwater, potential flooding, and traffic resulting from implementation of the Faria Preserve project. Further, the NWSP EIR was tiered off of the General Plan, and incorporates by reference various mitigation measures.

In 2007-08, the EBRPD and the Sierra Club filed suits challenging certain approvals required for development of the Faria Preserve Community project. Subsequently, the parties entered into two settlement agreements. In June 2008, the City adopted an addendum to the NWSP/Faria Preserve Community to address changes in the EIR's original assessment of environmental impacts in light of changes to the project resulting from the EBRPD and Sierra Club settlement agreements.

The NWSP/Faria Preserve Community EIR evaluated the potential environmental impacts of including the project area in the CCCSD and EBMUD boundaries. The EIR identifies potentially significant environmental effects, for which mitigation measures have been adopted. In addition, the EIR identifies potentially significant unavoidable environmental effects, for which the City adopted findings and a statement of overriding considerations. The City notes that the only significant impacts remaining after mitigation of the project are inconsistency with the 2005 Ozone Strategy and increased emissions of criteria air pollutants.

Following LAFCO's approval of the boundary reorganization in 2009, there was a change in ownership of the property, followed by revisions to the project including, but not limited to, a reduction in the number of residential units from 786 to 740, relocation of the project entry, and a reconfiguration of the project such that approximately 17 townhouse units were placed in the project area that had not previously been annexed to CCCSD and EBMUD.

In September 2014, the City of San Ramon adopted an Initial Study/ Mitigated Declaration and MMRP to address the project redesign. Copies of the environmental documents were previously provided the Commission and are available in the LAFCO office.

11. Landowner Consent and Consent by Annexing Agency:

According to County Elections, there are fewer than 12 registered voters in the subject area; thus, the area proposed for annexation is considered uninhabited. The applicant indicates that 100% of the affected landowners have provided written consent to the annexation. Thus, if the Commission approves the annexation, the Commission may waive the protest hearing (Gov. Code §56662). All landowners and registered voters within the proposal area and within 300 feet of the exterior boundaries of the area have received notice of the LAFCO hearing.

12. Boundaries and Lines of Assessment:

The annexation area is within the SOIs of CCCSD and EBMUD. A map and legal description to implement the proposed boundary changes have been received and are subject to final approval by the County Surveyor.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals will promote environmental justice. As defined by statute, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

14. Disadvantaged Communities:

In accordance with recent legislation (SB 244), local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County’s Department of Conservation and Development, the annexation area does not meet the criteria of a DUC.

15. Comments from Affected Agencies/Other Interested Parties:

To date, LAFCO has received no comments from affected agencies or other interested parties.

16. Regional Transportation and Regional Growth Plans:

In its review of a proposal, LAFCO shall consider a regional transportation plan adopted pursuant to Section 65080 [Gov. Code section 56668(g)]. Further, the commission may consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis (Gov. Code section 56668.5).

Regarding these sections, LAFCO looks at consistency of the proposal with the regional transportation and other regional plans affecting the Bay Area.

SB 375, a landmark state law, requires California’s regions to adopt plans and policies to reduce the generation of greenhouse gases (GHG), primarily from transportation. To implement SB 375, in July 2013, ABAG and the Metropolitan Transportation Commission (MTC) adopted Plan Bay Area as the “Regional Transportation Plan and Sustainable Communities Strategy” for the San Francisco Bay Area. Plan Bay Area focuses on where the region is expected to grow and how development patterns and the transportation network can work together to reduce GHG emissions. The Plan’s key goals are to reduce GHG emissions by specified amounts; and to plan sufficient housing for the region’s projected population over the next 25 years.

The Plan Bay Area directs future development to infill areas within the existing urban footprint and focuses the majority of growth in self-identified Priority Development Areas (PDAs). PDAs include infill areas that are served by transit and are located close to other amenities, allowing for improved transit, bicycle and pedestrian access thereby reducing the amount of transportation related GHG generated. Plan Bay Area also aims to protect open space and agricultural land by directing 100% of the region’s growth inside the year 2010 urban footprint, which means that all growth occurs as infill development or within established urban growth boundaries or urban limit lines. As the plan assumes that all urban growth boundaries/urban

limit lines are held fixed through the year 2040, no sprawl-style development is expected to occur on the region's scenic or agricultural lands.

Plan Bay Area also includes projections for the region's population, housing and job growth, and indicates that the region has the capacity to accommodate expected growth over the next 25 years without sprawling further into undeveloped land on the urban fringe.

ABAG and MTC are in the process of updating the Plan Bay Area. The new plan - "Plan Bay Area 2040" - is currently underway. In November 2016, ABAG and MTC adopted a final preferred scenario at a joint meeting. An EIR to evaluate the project is currently underway. All of this work will form the foundation for Plan Bay Area 2040, to be adopted in summer 2017.

The 2013 Plan Bay Area identifies two PDAs in San Ramon, including the City Center Mixed Use District and North Camino Ramon (pedestrian and bicycle friendly, mixed use, transit-oriented neighborhood). The subject property is not designated as a "Priority Conservation Area" or a "PDA."

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following actions:

Option 1 Approve the reorganization as proposed.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the City of San Ramon's environmental documents, including the 2014 Initial Study/Mitigated Negative Declaration and 2014 MMRP, and the 2006 EIR for the Northwest Specific Plan/Faria Preserve Community, Statement of Overriding Considerations, 2006 MMRP, and Addendum to the previously certified EIR.
- B. Adopt this report, approve LAFCO Resolution No. 16-11 (Attachment 2), and approve the proposal, to be known as ***Reorganization 191 (Faria Preserve West): Annexations to CCCSD and EBMUD*** subject to the following terms and conditions:
 1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agencies.
 2. The Central Contra Costa Sanitary District has delivered an executed indemnification agreement providing for the District to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
 3. Water service is conditional upon EBMUD receiving acceptance for inclusion of the annexed areas from the USBR, pursuant to the requirements in EBMUD's contract with USBR for supplemental water supply from the CVP.
- C. Find that the subject territory is uninhabited, the proposal has 100% landowner consent, and the conducting authority (protest) proceedings are hereby waived.

Option 2 Accept this report and DENY the proposal.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Option 1 – Approve the reorganization as proposed.

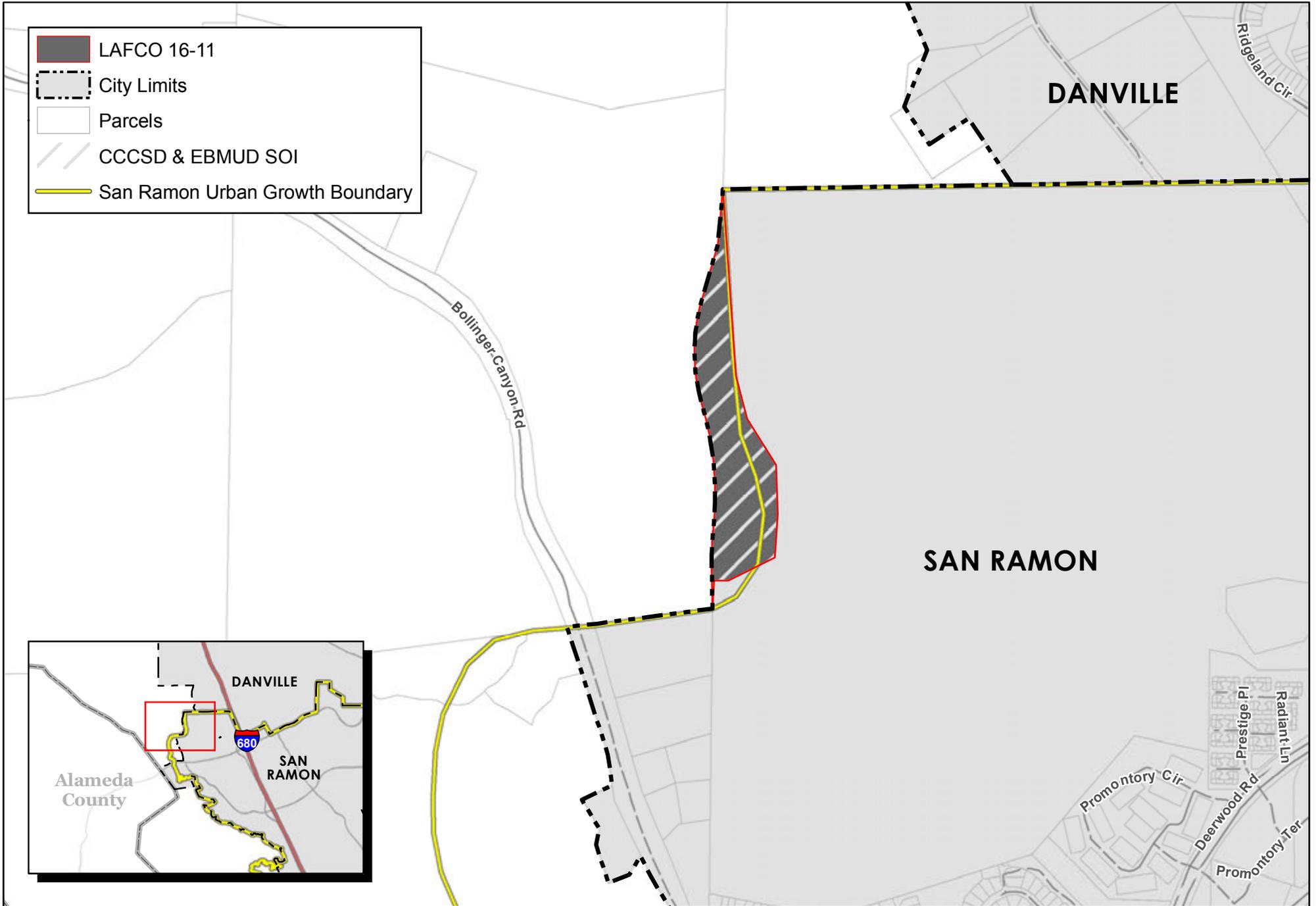
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachments

- 1 – Boundary Reorganization Map
- 2 – Draft LAFCO Resolution 16-11

c: Distribution

LAFCO No.16-11 Reorganization 191 (Faria Preserve West): Annexations to CCCSD and EBMUD



RESOLUTION NO. 16-11

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
REORGANIZATION 191 (FARIA PRESERVE WEST): ANNEXATIONS TO CENTRAL
CONTRA COSTA SANITARY DISTRICT AND EAST BAY MUNICIPAL UTILITY DISTRICT**

WHEREAS, the Faria Preserve West boundary reorganization proposal involving annexations to the Central Contra Costa Sanitary District (CCCSD) and the East Bay Municipal Utility District (EBMUD) has been filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.); and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the Faria Preserve West boundary reorganization proposal; and

WHEREAS, the Commission held a public hearing on March 8, 2017 to consider the Faria Preserve West boundary reorganization proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to this proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental documents and determinations, Spheres of Influence and applicable General and Specific Plans.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the City of San Ramon's environmental documents, including the 2014 Initial Study/Mitigated Negative Declaration and 2014 Mitigation Monitoring and Reporting Program (MMRP), and the 2006 Environmental Impact Report (EIR) for the Northwest Specific Plan/Faria Preserve Community, Statement of Overriding Considerations, 2006 MMRP, and Addendum to the previously certified EIR.
2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:
REORGANIZATION 191 (FARIA PRESERVE WEST): ANNEXATIONS TO CCCSD AND EBMUD
4. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
5. Approval of the Faria Preserve West boundary reorganization - annexations to CCCSD and EBMUD is subject to the following:
 - a. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agencies.
 - b. The CCCSD has delivered an executed indemnification agreement between CCCSD and Contra Costa LAFCO providing for CCCSD to indemnify LAFCO against any expenses arising from any legal actions challenging the Faria Preserve West boundary reorganization.

Contra Costa LAFCO
Resolution No. 16-11

- c. Water service is conditional upon EBMUD receiving acceptance for inclusion of the annexed area from the United States Bureau of Reclamation (USBR), pursuant to the requirements in EBMUD's contract with USBR for supplemental water supply from the Central Valley Project.
- 6. The territory proposed for reorganization is uninhabited, the proposal has 100% landowner consent, and the conducting authority (protest) proceedings are hereby waived.
- 7. All subsequent proceedings in connection with the Faria Preserve West boundary reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 8th day of March 2017, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

DONALD A. BLUBAUGH, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

Dated: March 8, 2017

Lou Ann Texeira, Executive Officer



Lou Ann Teixeira
Executive Officer

MEMBERS

Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

Igor Skaredoff
Special District Member

Don Tatzin
City Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Sharon Burke
Public Member

Tom Butt
City Member

Stanley Caldwell
Special District Member

March 8, 2017 (Agenda)

March 8, 2017
 Agenda Item 7

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

Fire and Emergency Medical Services Update

Dear Members of the Commission:

BACKGROUND

In August 2016, the Commission approved its 2nd round Fire & Emergency Services (EMS) Municipal Service Review (MSR) which covered three cities and eight special districts. In conjunction with the MSR, in October 2016, the Commission updated the spheres of influence (SOIs) for five of the districts, and deferred SOI updates for three of the fire districts pending updates from the local agencies. The Commission also deferred SOI updates for the three cities covered in the EMS/Fire MSR pending completion of the upcoming cities/community services districts MSR (see summary table below).

Agency	Status of SOI Update
City of El Cerrito	Pending City MSR (2017-18)
City of Pinole	Pending City MSR (2017-18)
City of Richmond	Pending City MSR (2017-18)
County Service Area (CSA) EM-1	Retained existing SOI
Contra Costa County Fire Protection District (CCCFPD)	SOI update pending
Crockett Carquinez Fire Protection District (CCFPD)	SOI update pending
East Contra Costa Fire Protection District (ECCFPD)	Adopted provisional SOI
Kensington Fire Protection District (KFPD)	SOI update pending
Moraga Orinda Fire District (MOFD)	Retained existing SOI
Rodeo Hercules Fire District (RHFD)	Adopted provisional SOI
San Ramon Valley Fire Protection District (SRVFPD)	Retained existing SOI

LAFCO adopted provisional SOIs for ECCFPD and RHFD pending various issues and concerns identified in the MSR, noting that both districts face ongoing fiscal and service challenges. LAFCO also deferred SOI updates for CCCFPD, CCFPD and KFPD pending an update from the West County fire service providers on collaborative fire/EMS efforts in West Contra Costa

County. The MSR noted that there were opportunities in West County to develop and implement a West County standards of cover study, apply for grants, refine operational practices, and develop cooperative agreements to improve services through collaborative efforts.

The Commission requested that these updates be provided within six months of completion of the MSR.

DISCUSSION: On February 7, 2017, LAFCO staff communicated with the fire/EMS providers regarding the requested updates; and invited the local agencies to provide updates (e.g., written, verbal) and attend the LAFCO meeting on March 8, 2017.

To date, LAFCO has received one written update from East Contra Costa Fire Protection District (attached). We anticipate the other agencies will provide verbal updates at the LAFCO meeting on March 8, 2017.

RECOMMENDATIONS: Receive updates and provide input and direction.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment - Update from East Contra Costa Fire Protection District

c: Distribution

MEMO

TO: Lou Ann Texeira, Executive Officer
Contra Costa LAFCO

FROM: Hugh Henderson, Fire Chief

DATE: February 28, 2017

SUBJECT: Fire District Update

This memo is to meet the LAFCO Executive Director request for an update on the District.

Elected Board

In November of 2016 the District placed Measure N on the ballot which passed by the voters to move the Board of Directors from appointed to elected. In February the Board of Directors adopted resolution 2017-03 calling for an election to be consolidated with the State wide General Election in each even year beginning on November 6, 2018. This move was to save the District approximately \$300,000.00 from being on an odd year election cycle. The Board of Directors will also be discussing in the future, reduction of the size of the board from 9 at large to 5 at large.

Staffing

As the commission is aware the District is currently operating a 4th station on one time money contributed by the cities of Brentwood and Oakley as well as Contra Costa County. This temporary funding will run out June 30, 2017. The District's current projected revenues will not fund the continuance of a 4th station. Discussions between all parties are taking place to explore opportunities to continue funding a 4th station.

Fire Chief

The Board of Directors has been actively conducting a search for an Interim Fire Chief to serve the District for the next 9 to 12 months during which time they will seek a permanent leadership solution for ECCFPD. The Interim Chief will begin duties on March 31, 2017.



Lou Ann Texeira
 Executive Officer

MEMBERS

Candace Andersen <i>County Member</i>	Michael R. McGill <i>Special District Member</i>
Donald A. Blubaugh <i>Public Member</i>	Rob Schroder <i>City Member</i>
Federal Glover <i>County Member</i>	Igor Skaredoff <i>Special District Member</i>
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Stanley Caldwell <i>Special District Member</i>

March 8, 2017 (Agenda)

March 8, 2017
 Agenda Item 8

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

Proposed FY 2017-18 LAFCO Budget

Dear Members of the Commission:

This report presents the proposed FY 2017-18 budget and work plan.

BUDGET SUMMARY

The proposed FY 2017-18 budget (attached) includes appropriations totaling \$889,955 and reflects an overall decrease 0.42% as compared to the FY 2016-17 budget. The decrease is primarily attributable to a credit in the LAFCO retirement account and decreases in several of the Services & Supplies accounts. Included in the total appropriations for FY 2017-18 is LAFCO’s annual contribution of \$40,000 to fund LAFCO’s Other Post-Employment Benefits (OPEB) liability, and \$80,000 contingency reserve fund, which is comparable to the current year reserve. It is projected that FY 2017-18 revenues will be comparable to the current year, with similar application activity. Details regarding expenditures and revenues are presented below.

EXPENDITURES

The expenditure portion of the budget is divided into three main objects: Salaries & Benefits, Services & Supplies, and Contingency/Liability.

Salaries & Benefits

In FY 2016-17, Contra Costa LAFCO maintained a staffing level of two full-time employees. As proposed, the FY 2017-18 budget includes funding to maintain the current staffing level, with a future staffing plan as discussed below. The FY 2017-18 Salaries & Benefits total \$400,791, reflecting a decrease of 0.62% which is primarily attributable to a credit in the LAFCO retirement account. LAFCO contracts with the Contra Costa County Employees’ Retirement Association (CCCERA) for retirement benefits. LAFCO is required to prepay its retirement contributions, which are based on employee salaries. The aggregate retirement rates fluctuate based on investment returns and other variables. LAFCO overpaid its retirement amount in FY 2015-16, and received a credit to be applied to the FY 2017-18 payment.

During discussion of the FY 2017-18 budget schedule and work plan preview in February, Commissioner Tatzin asked if LAFCO could prepay a portion of its unfunded retirement liability in order to have a better contribution rate. CCCERA staff informs us that *LAFCO can prefund, pay down, or make partial payments towards their retirement liability. The payoff helps reduce contribution rates that employers would have to make. Some employers have elected to borrow money by issuing pension obligation bonds and using the money to pay off retirement liability. Any risks to the money are no different than the same risks now with earning investment returns on retirement plan assets. It's also important to note that the retirement liability is a number that is calculated by an actuary on a present value basis. The present value number changes every year with every actuarial valuation depending on the demographic and economic experience of the employer's retirees and members. In other words, the liability may change and either increase or decrease even after a prefund because it depends on the actuarial valuation.* LAFCO's current Net Pension Liability (net after plan assets) is \$400,173. The full actuarial valuation report (as of 12/31/15) is available online at http://www.cccera.org/sites/main/files/file-attachments/agenda_packet_10.20.16.pdf.

The Commission may choose to include funding in the LAFCO budget to prefund, pay down, or make partial payments towards LAFCO's retirement liability, as LAFCO currently does with its OPEB liability. According to CCCERA, this would involve entering into an agreement with CCCERA spelling out the terms of the pay down. CCCERA's actuary would determine the liability and impact of pay down. The payments made to CCCERA would be added to fiduciary plan assets and earn investment income like all other assets. CCCERA does not require a separate trust like an OPEB irrevocable trust because CCCERA, by definition, is a fiduciary trust fund. CCCERA's actuary would track payments made against the LAFCO liability which would reduce it, and also reduce annual contributions from employer and employees because the liability is decreasing. Every three years, an experience study would be performed to confirm if the valuation and assumptions used to determine the liability are on track and accurate.

In addition to the two full-time LAFCO employees, staff support to the Commission is supplemented by private and public service providers. Outsourcing services minimizes costs associated with adding permanent staff and acquiring additional office space and equipment. The County provides fiscal, drafting, mapping and legal services. In addition, LAFCO contracts with private firms for website maintenance, financial auditing, environmental planning services, and to assist with MSRs, special projects and studies. The FY 2017-18 budget assumes the continuation of these contract services as shown in the Services & Supplies accounts.

In March 2016, staff discussed with the Commission the potential for adding staff in FY 2017-18; the Commission was supportive of this idea. The future staffing plan is discussed below.

Services & Supplies

The Services & Supplies account includes funding for a variety of services, programs and projects including administrative (e.g., office, insurance, rent, utilities, equipment/systems, training, memberships, etc.), contract services (Assessor, auditing, GIS, legal, planning, website, etc.), and programs/projects (e.g., MSRs, special studies, etc.).

The proposed FY 2017-18 budget includes \$369,164 for *Services & Supplies*, and reflects an overall decrease of 0.36%. Staff anticipates reductions in several accounts, including contract work by the County Assessor, County GIS, and the environmental planner based on decreasing use of these services over the past several years.

LAFCO anticipates increases in legal expenses relating to ongoing work with potential changes of organization/reorganizations, including West Contra Costa Healthcare District (WCCHD), Rollingwood Wilart Park Recreation & Park (RWPRPD), and potentially others; and increases in administrative expenses in conjunction with the possible relocation of the LAFCO office as discussed below.

The FY 2017-18 budget also reflects changes in LAFCO's document imaging service provider, as the LAFCO account was transferred to a successor company (no change in costs). In addition, LAFCO will enter into a new copier lease on June 1, 2017, as our current copier has reached the end of its useful life. The proposed budget reflects a 29% increase in costs associated with leasing a new copier.

As discussed with the Commission in February 2017, the 2nd round MSR schedule was delayed this year due to completion of two important special studies (i.e., WCCHD and RWPRPD). These studies identified governance options for the districts, including dissolution and/or reorganization. The Commission deferred action on the governance options pending WCCHD's bankruptcy proceedings, and the City of San Pablo's study relating to the possible annexation of the Rollingwood community. We anticipate possible action by LAFCO on one or both of these agencies in FY 2017-18.

The proposed FY 2017-18 budget contains "carryover" funding for the two 2nd round MSRs as approved in the FY 2016-17 budget [i.e., healthcare services, cities/community service districts (CSDs)]. In February 2017, Commissioners approved moving forward with the 2nd round healthcare services MSR, followed by the 2nd round cities/CSDs MSR.

In February 2017, LAFCO released a Request for Proposals for the 2nd round healthcare MSR. The schedule calls for awarding a contract in May 2017, and initiating work on June 1, 2017. The cities/CSDs MSR will likely get started later in FY 2017-18. Should the Commission wish to include a third MSR in FY 2017-18, additional funding will be required. Also, adjustments to the FY 2017-18 work plan to accommodate a third MSR may be needed given the other projects on the horizon, including the potential reorganizations of WCCHD and RWPRPD, 2nd round healthcare and cities/CSDs MSRs, and proposed strategic planning session.

Contingency Reserve Fund

Each year, the Commission appropriates \$80,000 for unanticipated expenses (i.e., special studies, potential litigation, etc.). These contingency funds do not accrue, and are re-appropriated each year. The FY 2017-18 budget, as proposed, includes an \$80,000 contingency reserve fund, which is consistent with prior years.

Other Post-Employment Benefits (OPEB)

Since FY 2011-12, LAFCO has included in its budget an annual expense to fund its OPEB liability. The FY 2011-12 through FY 2014-15 budgets included an appropriation of \$10,000 per year to fund this liability.

Following LAFCO's first actuarial valuation in 2014, the Commission increased its annual appropriation to \$40,000. In September 2016, LAFCO completed its second actuarial valuation. The report showed an Employer-Paid Accrued Liability of \$546,116, an unfunded accrued liability of \$463,815, and an annual required contribution of \$52,505. The OPEB funds are currently held in the PARS Public Agencies Post-Retirement Healthcare Plan Trust; LAFCO is a sub-account under the County's OPEB trust. To date, LAFCO has accrued \$126,397 (including interest earned).

REVENUES

Revenues consist primarily of application charges, available year-end fund balance, miscellaneous revenues (e.g., interest earnings), and County, city and independent special district contributions, with each group paying one-third of the net operating LAFCO budget. The city and district shares are prorated based on general revenues reported to the State Controller.

Application Charges and Other Revenues

The FY 2016-17 budget included an anticipated \$20,000 in proposal processing fees based on a multi-year historical average. It is projected that LAFCO will receive approximately \$23,482 in application fees this year, slightly more than budgeted. Application activity remains fairly steady. The estimated application and other revenues for FY 2017-18 are projected to be \$20,000, comparable to the current fiscal year.

Fund Balance

Government Code §56381(c) provides: "If at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget."

The FY 2016-17 fund balance is currently unknown and will be calculated at year end (typically by October). However, based on the beginning year fund balance, and projected FY 2016-17 revenues and expenses, it is estimated that the available fund balance will be over \$150,000.

The LAFCO fund balance, or any portion thereof, can be used to offset the FY 2017-18 revenues, thereby reducing the revenues to be collected from the funding agencies (County, cities, districts); or placed in a reserve account, separate from the contingency reserve that is appropriated each year.

The FY 2017-18 budget, as proposed, provides that, to the extent possible, the available fund balance be used to offset FY 2017-18 revenues.

Interest Earnings

In November 2006, the Commission initiated an investment policy and directed LAFCO staff to work with the County Treasurer to invest the appropriate level of LAFCO funds.

The FY 2017-18 budget includes no anticipated interest earnings, based on the anticipated lack of investment activity due to market volatility. LAFCO staff will refrain from investing until interest income exceeds investment fees. LAFCO staff will continue to monitor the investment market.

Revenues Received from the County, Cities and Independent Special Districts

After processing fees, available fund balance and other miscellaneous revenues, the balance of LAFCO's financial support comes from local governmental agencies. Agency contributions represent the most significant LAFCO revenue source.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") requires that the net operational costs of LAFCO be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The CKH describes how the County Auditor is to make the apportionment and collect the revenues once LAFCO adopts a Final Budget (Gov. Code §56381). The city and district allocations are based on revenues reported to the State Controller and vary year to year.

As indicated above, the overall budget is expected to decrease by approximately 0.42%. The proposed use of the available fund balance will offset agency contributions for FY 2017-18. The amount of revenue from other government agencies required to fund the FY 2016-17 LAFCO budget was \$723,733. As proposed, the total amount of revenue from other government agencies needed to fund the FY 2017-18 budget is \$719,955, reflecting a 0.52% decrease. The city and district shares are prorated based on general revenues reported to the State Controller. Consequently, not all funding agencies will see a 0.52% decrease in the LAFCO contributions, some may see less than 0.52%, while others may see more than 0.52%.

BUDGET ENHANCEMENTS

During the FY 2016-17 budget deliberations, the Commission discussed the future of Contra Costa LAFCO and succession planning. The Commission directed staff to include in the FY 2016-17 budget costs associated with relocation of LAFCO offices and additional staff.

Office Space - LAFCO currently leases 580± sq. ft. of office space (plus common area) at 651 Pine Street, 6th Floor in Martinez. The office space is somewhat restricted with limited opportunity to expand.

Last year, Contra Costa LAFCO was planning to relocate and lease office space at 40 Muir Road in Martinez. This location offers several advantages, including close proximity to the County GIS division with whom we have regular interaction, and the opportunity to lease additional office space than is currently available at 651 Pine Street. Unfortunately, the move was delayed due to the prospective second floor tenant at 40 Muir Road backing out. Without a second floor tenant to help fund costs associated with tenant improvements, the move would be cost prohibitive for LAFCO.

LAFCO staff continues to work with the County on relocation of the LAFCO office. Recently, we learned that 40 Muir Road may be needed to house County offices in conjunction with the County's plans to building a new County Administration building. In February 2017, the Board of Supervisors approved moving forward with plans for a new building and demolishing the existing building at 651 Pine Street. LAFCO staff was consulted and was offered space in the new building, which staff has tentatively reserved. The County's project manager indicates that construction on the new building is expected to begin in 2018, with anticipated occupancy in December 2019.

Given the new information regarding the County’s planned use of 40 Muir Road, LAFCO staff has included in the FY 2017-18 proposed budget costs associated with relocating to 40 Muir Road. *The proposed budget includes funding for seven months at the current location (651 Pine Street) and five months at 40 Muir Road, along with related moving costs as summarized below:*

Cost Factors	651 Pine St	40 Muir Rd	Proposed FY 2017-18 Budget
Square footage	580 sq. ft. dedicated space, plus common area	1,000 sq. ft. dedicated space (currently unimproved), plus common area	
Rent (1)	\$ 731/mo (x 7 mos)	\$ 978/mo (x 5 mos)	\$10,003
Building Life Cycle Cost	\$ 113/mo (x 7 mos)	\$ 154/mo (x 5 mos)	\$ 1,564
Construction costs (amortized over 5 years)	N/A	\$1,000/mo (x 5 mos)	\$ 5,000

Note: (1) Includes maintenance, custodial, utilities, parking, use of Commission meeting room and conference rooms.

In addition to those costs listed above, there would be additional costs associated with relocating, including moving and disposal of surplus property, along with “change of address” costs (e.g., business cards, mailing labels, etc.) which are reflected in the Office Supplies account.

Last year, LAFCO staff prepared a comparative analysis of office space in Martinez and found that the cost to lease space at 40 Muir Road (\$10.50/sq. ft.) was competitive with the market average. In addition, the rent at 40 Muir Road includes amenities (e.g., maintenance, custodial, utilities, parking, etc.) that most private office spaces exclude.

LAFCO Staffing- Last year, the Commission also discussed the potential to expand LAFCO staff in the future, as application activity increases, to expand our work on policies and procedures, embark on inventive projects and programs, enhance our public outreach and education, and maintain our current level of involvement at a statewide level with CALAFCO and other stakeholders.

Contra Costa LAFCO currently employs two full-time staff – an Executive Officer and an Executive Assistant/LAFCO Clerk. In addition, we outsource a number of services as discussed above. Of the 16 Bay Area and urban LAFCOs, Contra Costa LAFCO is one of four that operates with fewer than three full-time employees.

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.

LAFCO staff is currently developing a job description and salary range for a part-time Analyst position. Depending on the nature of the position (i.e., staff, contract, other), amendments to LAFCO’s classification, salary and benefit plans may also be necessary. Once the LAFCO office

relocation is determined, LAFCO staff will return to the Commission with details regarding the staffing plan.

LAFCO RESPONSIBILITIES, ACCOMPLISHMENTS & GOALS

The CKH requires that each LAFCO adopt a proposed budget by May 1 and a final budget by June 15. In accordance with the 2017-18 Budget Schedule approved by the Commission in February, the hearing for the Proposed Budget is scheduled for March 8th, and the hearing for the Final Budget is scheduled for May 10th. The time between these Commission actions is to allow for review and comment by those agencies that fund LAFCO and by other interested parties, and to update budget information

Major LAFCO Responsibilities

LAFCO receives its authority and statutory obligations from the CKH Act. Included among LAFCO's major responsibilities are:

- Act on proposals for changes of organization and reorganizations (i.e., annexations/detachments, out of agency service extensions, consolidations/mergers, district formations/dissolutions, city incorporations/disincorporations, etc.)
- Establish, review and update spheres of influence (SOIs) for cities and special districts
- Conduct MSRs prior to or in conjunction with establishing or updating SOIs
- Perform special studies relating to services and make recommendations about consolidations, mergers or other governmental changes to improve/enhance services and efficiencies
- Serve as the Lead or Responsible Agency for compliance with the California Environmental Quality Act (CEQA)
- Serve as the conducting authority to conduct protest hearings relating to changes of organization/reorganizations
- Provide public information about LAFCO and public noticing of pending LAFCO actions
- Establish and maintain a website
- Adopt and update written policies and procedures
- Adopt an annual budget

Highlights of FY 2016-17

The following represents some of LAFCO's major accomplishments in the current fiscal year:

Boundary Change and Related Applications

- a. Completed proceedings for seven changes of organization/reorganization proposals
- b. Received three new applications including two reorganizations and one annexation
- c. Requested and received approval for one transfer of jurisdiction related to a proposed annexation (Alameda LAFCO)

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

- a. Completed 2nd round EMS/Fire Services MSR/SOI updates covering three cities and eight special districts
- b. Issued a Request for Proposals for the 2nd round Healthcare Services MSR

- c. Received informational updates from Castle Rock County Water District, Knightsen Town Community Services District, and EMS/fire service providers in conjunction with prior MSRs

Special Projects

- a. Completed special study on WCCHD
- b. Completed special study on RWPRPD
- c. Adopted LAFCO'S first Agricultural & Open Space Preservation Policy

Administrative and Other Activities

- a. Appointed 2017 LAFCO Chair and Vice Chair
- b. Seated new Commissioner (County Member)
- c. Instituted Enterprise Catalog System (SB 272)
- d. Completed second Alternative Measurement Method report (actuarial valuation)
- e. Prepared and submitted response to Grand Jury Report No. 1607 relating to Delta Levees and Reclamation Districts
- f. Sent letters to local agencies regarding new JPA requirements (SB 1266)
- g. Completed FY 2014-15 audit and initiated FY 2015-16 audit
- h. Updated website
- i. Received quarterly budget reports
- j. Completed annual employee performance reviews
- k. Provided comments on a number of local agency environmental documents
- l. Approved amendment to LAFCO Employee Benefit Plan (adding employee paid vision care plan)
- m. Received update on Plan Bay Area 2040
- n. Submitted position letters on various bills affecting LAFCOs
- o. Participated in and supported CALAFCO
- p. Submitted winning nomination for LAFCO Commissioner of the Year – Don Tatzin
- q. Participated in Little Hoover Commission hearings on healthcare

FY 2017-18 Work Plan

The recommended work plan for FY 2017-18 includes the following activities:

- ❖ Complete 2nd round MSR/SOI updates covering healthcare services
- ❖ Initiate 2nd round MSRs/SOI updates covering cities/community services districts
- ❖ Complete reorganizations in conjunction with WCCHD and RWPRPD governance options studies
- ❖ Continue work on updating/enhancing Commissioner Handbook including developing policies to address disadvantaged communities, MSRs, procedures for processing multi-county boundary changes, environmental guidelines, etc.
- ❖ Continue to work with County staff on relocation of LAFCO office
- ❖ Host a LAFCO strategic planning session
- ❖ Continue to work with the County, cities and districts on boundary clean-ups/islands
- ❖ Develop staffing plan
- ❖ Complete update to LAFCO Directory of Local Agencies
- ❖ Update LAFCO website to include JPA list and other updates

- ❖ Complete FY 2015-16 audit
- ❖ Continue to refine electronic records for easier access
- ❖ Develop a Clerk's desk manual
- ❖ Continue to participate in and support CALAFCO

In addition to the above, LAFCO staff will continue ongoing activities including processing LAFCO applications; supporting Commission/Committee meetings; administering the budget; managing records, purchasing, and contracts; and performing other administrative activities. Staff will facilitate inter-agency communications; conduct education and outreach as time allows; participate in regional forums as appropriate; participate in CALAFCO training and activities (i.e., Legislative Committee, Staff Workshop, Annual Conference, CALAFCO U). LAFCO staff currently serves as Vice Chair of the Legislative Committee and is a regular presenter at the CALAFCO Annual Conference and Staff Workshop.

In conclusion, the Commission and LAFCO staff continue to exercise fiscal prudence, recognizing the financial constraints faced by our funding agencies. Approval of the proposed budget will enable the Commission to perform its core responsibilities effectively, and continue its work on MSRs/SOI updates, special studies, policy development and other projects.

RECOMMENDATIONS

1. Receive the staff report and open the public hearing to accept testimony on the Proposed FY 2017-18 LAFCO Budget,
2. After receiving public comments close the hearing,
3. After Commission discussion, adopt the Proposed Budget for FY 2017-18, with any desired changes, and authorize staff to distribute the Proposed Budget to the County, cities and independent special districts as required by Government Code Section 56381, and
4. Schedule a public hearing for May 10, 2017 to adopt the Final FY 2017-18 LAFCO Budget.

Respectfully submitted,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Proposed FY 2017-18 LAFCO Budget

c: Distribution

PROPOSED FY 2017-18 LAFCO BUDGET

	FY 2016-17 <u>Approved</u>	FY 2016-17 Year-end <u>(Estimated)</u>	FY 2017-18 <u>Proposed</u>	<u>% Change</u>
Salaries and Employee Benefits				
Permanent Salaries- 1011	\$ 213,401	\$ 211,319	\$ 219,803	
Deferred Comp Cty Contribution - 1015	\$ 1,020	\$ 1,020	\$ 1,020	
FICA- 1042	\$ 16,432	\$ 14,776	\$ 16,925	
Retirement expense- 1044	\$ 97,418	\$ 97,418	\$ 83,576	
Employee Group Insurance- 1060	\$ 53,410	\$ 56,310	\$ 57,799	
Retiree Health Insurance- 1061	\$ 20,000	\$ 18,609	\$ 20,000	
Unemployment Insurance- 1063	\$ 576	\$ 585	\$ 593	
Workers Comp Insurance- 1070	\$ 1,000	\$ 1,021	\$ 1,075	
Total Salaries and Benefits	\$ 403,257	\$ 401,058	\$ 400,791	-0.62%
Services and Supplies				
Office Expense- 2100	\$ 4,000	\$ 2,060	\$ 5,000	
Publications -2102	\$ 30	\$ 20	\$ 30	
Postage -2103	\$ 1,800	\$ 652	\$ 1,800	
Communications - 2110	\$ 1,000	\$ 711	\$ 2,130	
Tele Exchange Services 2111	\$ 1,404	\$ 1,405	\$ 1,551	
Minor Comp Equipment - 2132	\$ 1,000	\$ 1,000	\$ 1,000	
Pubs & Legal Notices 2190	\$ 2,000	\$ 2,757	\$ 3,000	
Memberships - 2200	\$ 9,579	\$ 9,538	\$ 10,228	
Rents & Leases - 2250 (copier)	\$ 4,000	\$ 3,720	\$ 5,615	
Computer Software - 2251	\$ 500	\$ 500	\$ 500	
Bldg Occupancy Costs - 2262	\$ 14,865	\$ 7,355	\$ 15,003	
Bldg Life Cycle Costs - 2265	\$ 422	\$ 422	\$ 1,565	
Bldg Maintennace - 2284		\$ 143	\$ 150	
Auto Mileage Emp. – 2301	\$ 1,000	\$ 238	\$ 500	
Other Travel Employees – 2303	\$ 11,000	\$ 12,029	\$ 12,000	
Prof & Spec Services – 2310	\$ 274,250	\$ 145,753	\$ 254,414	
Assessor	\$ 13,000	\$ 1,342	\$ 10,000	
Financial Audit	\$ 7,900	\$ 7,900	\$ 8,000	
GIS/Mapping	\$ 24,000	\$ 7,870	\$ 20,000	
Legal	\$ 40,000	\$ 79,596	\$ 70,000	
MSRs	\$ 117,950	\$ 8,960	\$ 118,000	
Planning	\$ 38,000	\$ 11,271	\$ 22,000	
Special Projects (document imaging)	\$ 4,900	\$ 4,814	\$ 3,414	
Investment Services				
LAFCO Sponsored Training	\$ 1,500	\$ -	\$ 3,000	
Special Studies	\$ 27,000	\$ 24,000	\$ -	
Contracted Temp Help - 2314 (Web)	\$ 3,380	\$ 3,380	\$ 3,380	
Data Processing Services - 2315	\$ 3,500	\$ 3,441	\$ 7,000	
Data Processing Security - 2326	\$ 173	\$ 158	\$ 221	
Courier - 2331	\$ 1,963	\$ 1,963	\$ 2,460	
Other Inter-Dept Costs - 2340	\$ 110	\$ 108	\$ 217	
Liability/E&O Insurance - 2360	\$ 4,200	\$ 4,244	\$ 4,700	
Commission Training/Registration/Stipends - 2467	\$ 30,000	\$ 34,942	\$ 36,000	
NOD/NOE Filings - 2490	\$ 300	\$ 650	\$ 700	
Total Services & Supplies	\$ 370,476	\$ 237,189	\$ 369,164	-0.36%
Fixed Assets				
Office Equipment & Furniture - 4951				
Total Fixed Assets				
Total Expenditures	\$ 773,733	\$ 638,247	\$ 769,955	-0.49%
Contingency Reserve	\$ 80,000		\$ 80,000	
OPEB Trust	\$ 40,000	\$ 40,000	\$ 40,000	
TOTAL APPROPRIATIONS	\$ 893,733	\$ 678,247	\$ 889,955	-0.42%
TOTAL REVENUES	\$ 893,733	\$ 747,215	\$ 889,955	-0.42%
Agency contributions - 9500 & 9800	\$ 723,733	\$ 723,733	\$ 719,955	-0.52%
Application & other revenues	\$ 20,000	\$ 23,482	\$ 20,000	
Interest Earnings				
Fund Balance	\$ 150,000		\$ 150,000	



Lou Ann Texeira
 Executive Officer

MEMBERS

Candace Andersen <i>County Member</i>	Michael R. McGill <i>Special District Member</i>
Donald A. Blubaugh <i>Public Member</i>	Rob Schroder <i>City Member</i>
Federal Glover <i>County Member</i>	Igor Skaredoff <i>Special District Member</i>
	Don Tatzin <i>City Member</i>

ALTERNATE MEMBERS

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

March 8, 2017 (Agenda)

March 8, 2017
 Agenda Item 9

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

Special District Risk Management Authority (SDRMA) Board Election

Dear Commissioners:

Contra Costa LAFCO purchases its workers’ compensation and property/liability insurance through the SDRMA. The SDRMA is a joint powers public agency formed under California Government Code and provides a full-service risk management program for California's local governments. The SDRMA provides risk financing and risk management services to over 760 member agencies, including numerous special districts, municipalities, joint powers authorities and approximately 20 LAFCOs. In conjunction with participation in the SDRMA, LAFCO is also a member of the California Special Districts Association (CSDA).

On February 6, 2017, LAFCO received correspondence from the SDRMA calling for nominations for the SDRMA Board of Directors (attached).

According to the announcement, there are four (4) director seats up for election. Directors are elected to 4-year terms. The term of office for the newly elected directors will be January 1, 2018 through December 31, 2021.

Nominees must be a member of the agency’s governing body or a management employee, and must be an active member of **both** SDRMA’s property/liability and workers’ compensation programs. Candidates must be nominated by resolution of their member agency (i.e., LAFCO) and must complete and submit a Statement of Qualifications. The deadline for nominations is May 5, 2017. Ballots will be mailed out in mid-May and will be due by August 29, 2017.

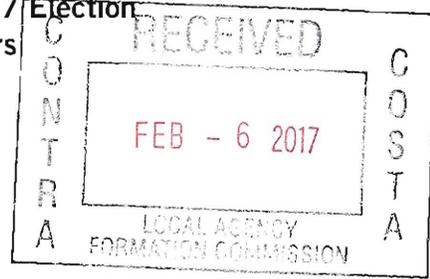
The attached material provides information regarding the nomination and election process, and role and responsibilities of the Board members. Briefly, the SDRMA Board of Directors meets an average of seven times annually. Meetings average 4-6 hours each, and are held in Sacramento. The commitment is approximately 15-20 hours per month.

Recommendation: Advise as to any nomination(s).

Sincerely,

Lou Ann Texeira
 Executive Officer

**Notification of Nominations – 2017 Election
SDRMA Board of Directors**



February 3, 2017

Ms. Mary Piepho
Chair
Contra Costa Local Agency Formation Commission
651 Pine Street, 6th Floor
Martinez, California 94553-1229

Dear Ms. Piepho:

Notice of Nominations for the Special District Risk Management Authority (SDRMA) Board of Directors 2017 Election is being provided in accordance with the SDRMA Sixth Amended and Restated Joint Powers Agreement. The following nomination information is enclosed: Nomination Packet Checklist, Board of Director Fact Sheet, Nomination/Election Schedule, SDRMA Election Policy No. 2017-03, sample Resolution for Candidate Nomination and Candidate's Statement of Qualifications Form.

General Election Information - Four Director seats are up for election. The nomination filing deadline is Friday, May 5, 2017. Ballots will be mailed to all SDRMA member agencies in mid-May. Mail-in ballots will be due back to SDRMA Tuesday, August 29, 2017.

Nominee Qualifications - Nominees must be a member of the agency's governing body or a management employee (see SDRMA Election Policy 2017-03, Section 4.1) and be an active member agency of **both** SDRMA's Property/Liability and Workers' Compensation Programs. Candidates must be nominated by Resolution from their member agency's governing body and complete and submit a "Candidates Statement of Qualifications".

Nomination Documents and Information - Nomination documents (Nominating Resolution and Candidates Statement of Qualifications) and nomination guideline information may also be obtained on SDRMA's website at www.sdrma.org. To obtain documents electronically:



From the SDRMA homepage, click on the "2017 Nomination & Election Information" button. All necessary nomination documents and election information may be downloaded and printed.

Term of Office – Directors are elected to 4-year terms. The term of office for the newly elected Directors will begin January 1, 2018 and expire December 31, 2021.

Nomination Filing Deadline – Nomination documents **must be received in SDRMA's office no later than 5:00 P.M. on Friday, May 5, 2017.**

Please contact SDRMA Chief Operating Officer Paul Frydendal at 800.537.7790, if you have any questions regarding the 2017 SDRMA Board of Director Nominations or the election process.

Sincerely,
Special District Risk Management Authority


Gregory S. Hall, ARM
Chief Executive Officer

2017 Nomination Packet Checklist



SDRMA BOARD OF DIRECTORS NOMINATION AND ELECTION GUIDELINES

January 5, 2017, marked the official commencement of nominations for the SDRMA Board of Directors. Four seats on the Board of Directors are up for election in August 2017.

For your convenience we have enclosed the necessary nomination documents and election process schedule. Please note that some items have important deadlines. All document contained in this packet, as well as additional information regarding SDRMA Board elections are available on our website www.sdrma.org and/or by calling SDRMA Chief Operating Officer Paul Frydendal at 800.537.7790.

___ **Attachment One:** **SDRMA Board of Directors Fact Sheet:** This document reviews the Board of Directors' Roles and Responsibilities along with other important information.

___ **Attachment Two:** **SDRMA Board of Directors 2017 Nomination/Election Schedule:** Please review this document for important deadlines.

___ **Attachment Three:** **SDRMA Election Policy No. 2017-03:** A Policy of the Board of Directors of the Special District Risk Management Authority establishing guidelines for Director elections.

___ **Attachment Four:** **Sample Resolution for Candidate Nomination:** A resolution of the Governing Body of the Agency nominating a candidate for the Special District Risk Management Authority Board of Directors.

___ **Attachment Five:** **Candidate's Statement of Qualifications:** Please be advised that no candidate statements are endorsed by SDRMA. Candidate's Statements of Qualification will be distributed to the membership with the SDRMA election ballot, "exactly as submitted" by the candidate.

Please complete and return all required nomination and election documents to:

SDRMA Election Committee
C/O Paul Frydendal, COO
Special District Risk Management Authority
1112 "I" Street, Suite 300
Sacramento, California 95814

SDRMA BOARD OF DIRECTORS FACT SHEET

SDRMA BOARD OF DIRECTORS ROLE AND RESPONSIBILITIES

Special District Risk Management Authority (SDRMA) is a public entity Joint Powers Authority established to provide cost-effective property/liability, worker's compensation, health benefit coverages and comprehensive risk management programs for special districts and other public agencies throughout California. SDRMA is governed by a Board of Directors elected from the membership by the programs' members.

Number of Board Members	7-Board Members: SDRMA Board of Directors consists of seven Board Members, who are elected at-large from members participating in either program.
Board of Directors' Role	SDRMA Board of Directors provide effective governance by supporting a unified vision, and ensuring accountability, setting direction based on SDRMA's mission and purpose, as well as establishing and approving policy to ensure SDRMA meets its obligations and commitment to its members.
Board of Directors' Responsibilities	Board Member responsibilities include a commitment to: serve as a part of a unified governance body; govern within Board of Directors' policies, standards and ethics; commit the time and energy to be effective; represent and make policy decisions for the benefit, and in the best interest, of all SDRMA members; support collective decisions; communicate as a cohesive Board of Directors with a common vision and voice; and operate with the highest standards of integrity and trust.
Four Seats For this Election	4-Seats: Elections for Directors are staggered and held every two years, four seats during one election and three seats in the following election. Four seats are up for election this year.
Term of Directors	4-Year Terms: Directors are elected for 4-year terms. Terms for directors elected this election begin January 1, 2018 and end on December 31, 2021.
Board Member Travel Reimbursement	Board Members are reimbursed for reasonable travel and lodging in accordance with SDRMA Board Policy Manual 2017-01 and applicable laws and are allowed to claim a stipend of \$195 per meeting day or for each day's service rendered as a Member of the Board.
Number of Meetings per Year	7-Board Meetings Annually: Generally not more than one meeting per month, with an average of seven board meetings per year.
Meeting Location	SDRMA office in Sacramento, California.
Meeting Dates	Typically the first Wednesday afternoon and Thursday morning of the month.
Meeting Starting Times	3:00 p.m. and 8:00 a.m.: Meetings are from 3:00 p.m. on Wednesday afternoon until 5:30 p.m. and Thursday from 8:00 a.m. to 10:00 a.m.
Meeting Length	4 - 6 hours: Length of meetings on average.
Average Time Commitment	15 - 20 hours: Commitment per month.

"The mission of Special District Risk Management Authority is to provide risk financing and risk management services through a financially sound pool to California public agencies, delivered in a timely and responsive cost efficient manner."
Special District Risk Management Authority | A Property/Liability, Workers' Compensation and Health Benefits Program

SDRMA BOARD OF DIRECTORS
2017 NOMINATION/ELECTION SCHEDULE

2017 Nomination/Election Schedule

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

MAY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

AUGUST						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

TASK TIMELINE

- 1/5 Board approves Election Schedule

- 2/3 Mail Notification of Election and Nomination Procedure to Members in January 90 days prior to mailing Ballots (103 actual days)

- 5/5 Deadline to return Nominations
- 5/11 Tentative Election Comm. Reviews Nominations
- 5/17-18 Mail Ballots 60 days prior to ballot receipt deadline (103 actual days)

- 8/29 Deadline to Receive Ballots
- 8/30 Tentative Election Committee Counts Ballots
- 8/31 Election Committee Notifies Successful Candidates and Provides Them With Upcoming Board Meeting Schedule
- 9/27 Directors' Elect Invited to CSDA Annual Conf/SDRMA Breakfast/Super Session

- 11/1-2 Directors' Elect Invited to SDRMA Board Meeting

- 1/2018 Newly Elected Directors Seated and Election of Officers

SDRMA BOARD OF DIRECTORS
ELECTION POLICY NO. 2017-03

A POLICY OF THE BOARD OF DIRECTORS OF SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY ESTABLISHING GUIDELINES FOR DIRECTOR ELECTIONS, DIRECTOR APPOINTMENTS, AND CREATION OF A SUPERVISING ELECTION COMMITTEE

- WHEREAS, SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) is a joint powers authority, created pursuant to Section 6500, et. seq. of the California Government Code; and
- WHEREAS, the Board of Directors recognizes that it is in the best interest of the Authority and its members to adopt a written policy for conducting the business of the Board; and
- WHEREAS, establishing guidelines for Director elections and appointments will help ensure a process that is consistent for all nominees and candidates, will promote active participation by SDRMA members in the election/appointment process, and will help ensure election/appointment of the most qualified candidate(s); and
- WHEREAS, the Bylaws provide the Board with the option of conducting the election using a mail-in ballot process; and
- WHEREAS, the Board of Directors of SDRMA has an overriding and compelling interest in insuring the accuracy of the election/appointment process of its Board members through the creation of an election committee;

NOW, THEREFORE, it is the policy of the Board of Directors of SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY, until such policy shall have been amended or rescinded, that the following procedures shall be followed when conducting Director elections or filling a Director vacancy by appointment:

1.0. Election Schedule

- 1.1. Not later than the first Board meeting of each election year, the Board of Directors shall approve an election schedule based on the following criteria and time frames.

2.0. Election Committee

- 2.1. The Board of Directors herein establishes an election committee with the following composition, duties and responsibilities; The five (5) members of the Election Committee shall include two presently sitting members of the Board of Directors of SDRMA whose seats are not up for election, the Chief Operating Officer of SDRMA, and the CPA/auditor regularly used and retained by SDRMA at the time of counting ballots of and for an election to the Board of Directors. For good reason found and stated, the Board of Directors of SDRMA may appoint any CPA/auditor who, in the discretion of the Board of Directors, would appropriately serve the Election Committee. The General Counsel for SDRMA shall also sit as a member of the Election Committee with the additional obligation of providing legal advice to the balance of the Committee as legal questions may arise.

3.0. Member Notification of Election

- 3.1. Authority staff shall provide written notification, of an election for the Board of Directors, to all member agencies during January of each election year. Such written notification shall be provided a minimum of ninety (90) days prior to the distribution of ballots and shall include; (1) the number of Director seats to be filled by election; (2) a copy of this nomination and election procedure; and (3) an outline of nomination/election deadline dates.

4.0. Qualifications

- 4.1. A candidate seeking election, re-election or appointment to SDRMA's Board of Directors must be a member of the Governing Body or a management employee of an SDRMA member participating in both the Property/Liability and Workers' Compensation Programs. To qualify as a "management employee," the candidate must be a management-level (as determined by the Governing Body) employee whose wages are reported to the IRS on a "W-2" form. Only one (1) representative from any Member may serve on the Board of Directors at the same time. [Per Bylaws, Article II, (2) (b)]
- 4.2. Each nominated candidate must submit a properly completed "Statement of Qualifications" (required form attached) with an original signature (electronic signatures are not acceptable) on or before the filing deadline in May in order for the candidate's name to be placed on the official ballot. A candidate shall provide responses to all questions on the candidate's "Statement of Qualifications". Each nominated candidate's "Statement of Qualifications" must be filed in SDRMA's office on or before the aforementioned deadline by: (1) personal delivery; (2) U.S. mail; or (3) courier. When ballots are mailed to the membership, each candidate's "Statement of Qualifications" form will be distributed to the membership exactly as submitted by the candidate to SDRMA. However, any attachments submitted by the candidate(s) with the Statement of Qualifications will not be sent by SDRMA with the ballots to any members.
- 4.3. If a nominated candidate elects not to use the provided form "Statement of Qualifications," and prepares instead the candidate's own completed form, the candidate's form must include the title "Statement of Qualifications" and contain exactly all information required and requested by the provided form.

NOTE: The candidate's "Statement of Qualifications" form must be submitted as a part of the nominating process. When ballots are mailed to the membership, each candidate's "Statement of Qualifications" form will be distributed "exactly as submitted" to SDRMA, except that any attachments submitted by the candidate will not be sent to any SDRMA members.

- 4.4. A candidate who does not submit a Candidate's Statement of Qualifications that complies with Section 4.2 or 4.3 will be disqualified by the SDRMA-Election Committee.

5.0. Nominating Procedure

- 5.1. Candidates seeking election or reelection must be nominated by action of their respective Governing Body. Only one (1) candidate may be nominated per member agency and one (1) candidate shall not represent more than one (1) member agency. A resolution from the candidate's district/agency Governing Body nominating the candidate must be received by the Authority on or before the scheduled date in May. (A sample of the resolution is enclosed). Actual receipt by the Authority on or before the scheduled deadline date in May is required. The resolution nominating the candidate may be hand-delivered to the Authority or sent by U.S. mail. In the event a candidate is nominated by two (2) or more member agencies, he or she shall represent the member agency whose nominating resolution is first received by the Authority. The other member agency or agencies that nominated the candidate shall be entitled to select a replacement nominee as long as a resolution nominating the replacement is received by the Authority prior to the scheduled deadline date.
- 5.2. A member may not nominate a candidate unless that member is participating in both the Property/Liability and Workers' Compensation Programs and is in "good standing" on the date the nominations are due. "Good standing" is defined as no accounts receivable due to SDRMA which is more than ninety (90) days past due.
- 5.3. No earlier than the day after the deadline for receipt of nominations, the Election Committee, as hereinabove defined and comprised, shall review all nominations received from members, and will reject any nominations that do not meet all of the qualifications specified and set forth in this policy. The Election

Committee's decisions regarding the qualification of nominees are final. Following the Election Committee's review of all nominations, the Election Committee shall direct that a ballot be prepared stating and listing all of the qualified nominees. The ballot of qualified nominees shall be distributed to the membership for election by mail as described below.

- 5.4. Upon verification or rejection of each nominee by the Election Committee, staff will mail acknowledgment to both the nominee and the district/agency of its acceptance or rejection as a qualified nominee for election.
- 5.5. A nominee requesting that his/her nomination be withdrawn prior to the election, shall submit such requests in writing to SDRMA's office a minimum of three (3) days prior to the scheduled date for mailing the ballots. After that date, all qualified nominees names shall appear on the ballot mailed to the membership.

6.0. Terms of Directors

- 6.1. The election of directors shall be held in each odd-numbered year. The terms of the directors elected by the Members will be staggered. Four directors will serve four-year terms, to end on December 31 of one odd-numbered year. Three directors will serve four-year terms, to end on December 31 of the alternate off-numbered year. [Per Bylaws, Article II, (3), paragraph 1].

7.0. Campaigning

- 7.1. SDRMA staff will mail each qualified candidate's "Statement of Qualifications", "exactly as submitted" by the candidate with the ballots to the membership.
- 7.2. Candidates, at their own expense, may distribute additional information to member agency(s) after the ballots have been mailed and prior to the election.
- 7.3. SDRMA staff is prohibited from actively promoting a candidate or participating in the election process while on Authority premises.
- 7.4. SDRMA staff may provide member information, mailing lists, financial reports or operational data and information, that is normally available through the Public Records Act, to candidates to assist them in their research and campaigning. In addition to obtaining such information under the Public Records Act, candidates may request SDRMA staff prepare mailing labels for the distribution of campaign materials to member agencies. Under existing policy, charges will apply for this service. The SDRMA logo is trademarked for use by SDRMA only. Neither the logo, nor any other Trademark of SDRMA may be used in any campaign literature. No campaign literature is to imply support of any candidate by SDRMA.
- 7.5. SDRMA election mailings to the membership, including ballots and candidates' "Statement of Qualifications", shall be sent via first class mail.

8.0. Limitations on Campaigning

- 8.1. As used in this section the following terms have the following meanings:

"Campaign Activity" means any activity that expressly advocates the election or defeat of a candidate or provides direct support to a candidate for his or her candidacy. "Campaign activity" does not include the incidental and minimal use of public resources, such as equipment or office space, for campaign purposes or the use of public resources to nominate a candidate or vote in any Board of Directors election.

"Candidate" means an individual who has been nominated by the Member Agency to have his or her name listed on the ballot for election to the Board of Directors.

"Expenditure" means a payment of Member Agency funds that is used for communications that expressly advocate the election or defeat of a clearly identified candidate. "Expenditure" does not include the use of public funds to nominate a candidate or vote in any Board of Directors election.

"Public resources" means any property or asset owned by the Member Agency, including, but not limited to, land, buildings, facilities, funds, equipment, supplies, telephones, computers, vehicles, travel, and Member Agency-compensated time.

- 8.2. An officer, official, employee, or consultant of a Member Agency may not expend or authorize the expenditure of any of the funds of the Member Agency to support or oppose the election or defeat of a candidate for the Board of Directors.
- 8.3. No officer, official, employee, or consultant of a Member Agency shall use or permit others to use public resources for campaign activity.
- 8.4. At any time during an election campaign, if a Member Agency or its officers, officials, employees or consultants violate this section, that Member Agency shall be ineligible to nominate a candidate for the Board of Directors election in which the violation occurred. Any candidate of an offending Member Agency shall be deemed to have withdrawn his or her candidacy. Prior to declaring a Member Agency ineligible to nominate a candidate or a specific candidate's candidacy withdrawn, the Elections Committee shall hold a hearing to determine whether or not a violation of this section occurred. The hearing shall be conducted pursuant to reasonable procedures that the Elections Committee shall prescribe, provided that the affected Member Agency or candidate shall have an opportunity to dispute the violation. At the conclusion of the hearing, the Elections Committee shall determine by a majority vote whether the violation occurred.

9.0. Balloting

- 9.1. A ballot containing nominees for the Board of Directors, accepted and approved by the Election Committee, shall be mailed by first class mail, to each SDRMA member agency, except as provided in Section 9.2 below, no less than sixty (60) days prior to the deadline for receiving ballots and the closing date for voting. Ballots shall show the date and time the ballots must be received in SDRMA's office. A self-addressed, stamped, return envelope shall be mailed with each ballot.
- 9.2. In the event that the number of qualified/approved nominees is equal to or less than the number of director seats up for election, the mailing of the ballots as outlined in Section 9.1 shall be waived.
- 9.3. Only those qualified nominees approved by the Election Committee will be eligible candidates on the ballot. Write-in candidates shall not be accepted.
- 9.4. It is required that the Governing Body of each member vote on behalf of their agency (sample Resolution enclosed) and the ballot MUST be signed by the agency's Presiding Officer.
- 9.5. A member may not vote unless the member was a member of the Authority in "good standing" on or before the nomination due date for the pending election. "Good standing" is defined as no accounts receivable due to SDRMA which is more than ninety (90) days past due.
- 9.6. A member may cast only one (1) vote for the same candidate. By way of example, if there are four (4) candidates on the ballot, a member may not cast two (2) to four (4) votes for any single candidate. Any ballot casting more than one (1) vote for the same candidate will be considered void.

- 9.7. A member may vote by using the official ballot provided by SDRMA, or a copy of SDRMA's original ballot, or a reasonable duplicate prepared by the member agency. Whichever of the three foregoing formats is used, the ballot must contain an original signature and confirmation that the ballot was approved at a public meeting of the agency's Governing Body. Ballots submitted without an original signature and/or without confirmation that the form of the ballot was approved at a public meeting of the agency's Governing Body will be considered void.
- 9.8. Ballots may be returned using either hand-delivered or mailed in ballots - faxed or e-mailed ballots will not be accepted. Mailed in ballots must be addressed to, and hand-delivered ballots must be delivered to, the Special District Risk Management Authority office presently located at 1112 I Street, Suite 300, Sacramento, California 95814-2865.
- 9.9. Any ballot received after the specified deadline will not be counted and will be considered void.

10.0. Election Results

- 10.1. All ballots will be opened and counted at SDRMA's office only after the deadline for receiving ballots. Ballots will be opened by SDRMA's Election Committee, no more than five (5) days after the closing deadline. Candidates receiving the highest number of votes shall be declared the elected director(s).
- 10.2. In the event of a tie, a coin toss shall be used to determine the elected director. The coin toss shall be conducted by the Election Committee at the time and place of the conclusion of counting ballots.

PROCEDURE: In the event more than two (2) candidates tie, the coin toss shall be between two (2) candidates at a time based on the order in which their name appeared on the ballot. This process shall be repeated, as needed, in cases where there are more than two (2) candidates.
- 10.3. Excluding tie votes, within five (5) days after the ballots are opened and tabulated Authority staff shall advise the candidates and their respective agency in writing of the final election results. Copies of the results shall also be mailed/distributed to SDRMA's Board of Directors, staff and consultants and published in the first available CSDA newsletter.
- 10.4. If a director-elect withdraws after the election or fails to accept the Director seat prior to December 31, the Board shall name a new director-elect by going back to the ballots and awarding the seat to the candidate receiving the next highest number of votes during the election.
- 10.5. Staff shall invite newly elected director(s) to attend the Annual Membership meeting and all scheduled Board meeting(s) after confirmation of election results until the director(s) elect assume office. Director(s) elect will be reimbursed for expenses, except for director stipends, in accordance with approved director reimbursement policy (copy of policy shall be provided to newly elected directors).
- 10.6. A member or candidate dissatisfied with the election result may, within ten (10) days after the ballots are opened and tabulated, file with the Authority a written challenge and appeal. The challenge and appeal must clearly set forth the complaint and any and all facts in support of the challenge and appeal. Within ten (10) days after the ballots are opened and tabulated, the challenge and appeal shall be delivered and received by the Authority. Within five (5) days of receipt of the challenge and appeal, the Authority shall deliver the same to the Election Committee for decision. The Election Committee shall have absolute authority for deciding the challenge and appeal. Notice of the decision of the Election Committee shall be provided to the party filing the challenge and appeal within ten (10) days.

11.0. Director Vacancy

11.1. If a director vacancy(s) occurs (Note 1), appointment of a replacement director for the balance of the unexpired term will be made by the remaining members of the SDRMA Board. In order to accomplish this in an orderly and consistent manner, when a vacancy(s) of an elected Director(s) occurs, the SDRMA Board of Directors, after discussion and consideration, shall, when deemed appropriate, instruct staff to:

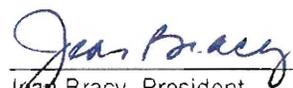
- a) notify all then member entities that a vacancy has occurred; and
- b) said notice shall refer to the applicable Article in the By-laws in advising member entities and their eligible candidates of the steps to take to apply for appointment; and
- c) the SDRMA Board shall establish the closing date for the receipt of applications; and
- d) candidates shall submit the following, by the date specified in the notice:
 - i) a letter of interest; and
 - ii) a resume, with particular emphasis on the candidate's knowledge of special districts and risk management; and
 - iii) a resolution from, or a letter approved by, the candidate's Governing Body nominating the candidate; and
- e) the Election Committee shall review all applications received, and shall reject any that do not meet all of the qualifications specified and set forth in this policy; and
- f) upon verification or rejection of each application by the Election Committee, staff will mail acknowledgement to both the applicant and the district/agency of its acceptance or rejection of the applicant as a qualified candidate for appointment; and
- g) candidates shall be interviewed at the next regularly scheduled meeting of the SDRMA Board of Directors following the date of closure for the applications. Interviews shall be in person, or if an unforeseen emergency arises, the interview may be by telephone at the same scheduled time; and
- h) the SDRMA Board shall make the appointment without undue delay, but need not act at the same meeting.

Note 1: If the Director vacancy occurs within nine (9) months after the date the ballots were counted and certified by the Election Committee or within nine (9) months after a candidate was appointed to fill a vacancy, then the Board shall have the option to interview and appoint the candidate(s) who did not receive sufficient votes to be elected OR to interview and appoint from the pool of candidates from 11.1.g) above. If the Director vacancy occurs in an election year after the Notification of Election is sent to the members, the Board may determine to fill the vacancy by appointing the candidate who receives the next highest number of votes in the election. If the Board determines in its sole discretion that none of these options is appropriate, then staff shall be instructed to proceed with the process described above in steps 11.1 a) to h).

Revised and adopted this 2nd day of February 2017, by the Board of Directors of Special District Risk Management Authority, at a regular meeting thereof.

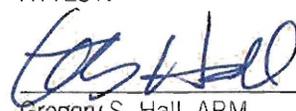
This Policy No. 2017-03 supercedes Policy No. 2015-01 and all other policies inconsistent herewith.

APPROVED:



Jean Bracy, President
Board of Directors

ATTEST:



Gregory S. Hall, ARM
Chief Executive Officer

**SAMPLE
RESOLUTION FOR
CANDIDATE NOMINATION**

Available for download in Microsoft Word file format
visit our website at www.sdrma.org

[AGENCY NAME]

RESOLUTION NO.

**A RESOLUTION OF THE GOVERNING BODY OF THE [AGENCY NAME] NOMINATING
[CANDIDATE'S NAME] AS A
CANDIDATE FOR ELECTION TO THE SPECIAL DISTRICT RISK MANAGEMENT
AUTHORITY BOARD OF DIRECTORS**

WHEREAS, the Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code, Section 6500 et.seq., for the purpose of providing risk management and risk financing for California Special Districts and other local government agencies; and

WHEREAS, the Joint Powers Agreement (JPA) and Bylaws of SDRMA set forth director qualifications, terms of office and election requirements; and

WHEREAS, the Board of Directors of SDRMA established procedures and guidelines for the Director Election process; and

WHEREAS, the Board of Directors of SDRMA established a policy requiring candidates seeking election to the SDRMA Board of Directors to be: 1) a member of the agency's governing body or management employee per SDRMA Election Policy 2017-03, Section 4.1 and be an active member agency of **both** SDRMA's Property/Liability and Workers' Compensation Programs, and 2) be nominated by Resolution of their member agency's governing body, and 3) each nominated candidate must submit a completed and signed "Candidate's Statement of Qualifications" on or before the May 5 filing deadline in order for the candidate's name to be placed on the official ballot.

NOW, THEREFORE, BE IT RESOLVED:

1. The governing body of **[AGENCY NAME]** nominates **[CANDIDATE'S NAME]**, its **[POSITION TITLE]**, as a candidate for the Board of Directors of the Special District Risk Management Authority.

2. **[ONLY IF CANDIDATE IS NOT A MEMBER OF THE AGENCY'S GOVERNING BODY:** The governing body of **[AGENCY NAME]** has determined that **[CANDIDATE'S NAME]** is a management employee for purposes of SDRMA Election Policy 2017-03, Section 4.1].

3. The governing body of **[AGENCY NAME]** further directs that a copy of this Resolution be delivered to SDRMA on or before the May 5, 2017 filing deadline.

ADOPTED this **[DATE]** of **[MONTH/YEAR]** by the Governing Body of **[AGENCY NAME]** by the following roll call votes:

AYES: **[LIST NAMES of GOVERNING BOARD VOTES]**
NAYES: "
ABSTAIN: "
ABSENT: "

APPROVED

ATTEST

President – Governing Body

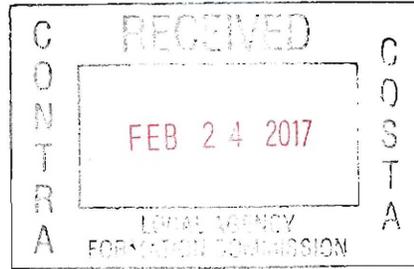
Secretary

CANDIDATE'S STATEMENT
OF
QUALIFICATIONS

Available for download in Microsoft Word file format
visit our website at www.sdrma.org

February 22, 2017

Ms. Kathryn Sibley
Executive Assistant
Contra Costa Local Agency Formation Commission
651 Pine Street, 6th Floor
Martinez, California 94553-1229



March 8, 2017
Agenda Item 10

RE: Property/Liability Longevity Distribution

Dear Ms. Sibley,

On February 2, 2017, the SDRMA Board of Directors approved a longevity distribution for the eighth year in a row. The Longevity Distribution Policy was adopted by the Board to recognize and reward members for their loyalty and commitment to SDRMA programs. The policy is consistent with the goals and objectives of the Board's strategic business plan and helps ensure pool stability by rewarding members for remaining in our Property/Liability and Workers' Compensation programs.

This year, the Board approved a longevity distribution in the amount of \$247,965 for Property/Liability members and \$463,920 for Workers' Compensation members. For the Property/Liability program, over 91% of members will receive the distribution credit and for the Workers' Compensation program, over 90% of members will receive the distribution credit.

Congratulations! Since you have participated in our Property/Liability Program for 7 years as of June 30, 2016, your agency will receive a longevity distribution credit on your 2017-18 renewal invoice in the amount of \$36. We encourage you to share this valuable news with your governing body!

There is no action required by your agency. Every member that has completed the 3 full program year initial commitment period for the Property/Liability program is eligible to receive a longevity distribution credit when they renew coverage. The longevity distribution may be declared by the Board of Directors each year only after all Board policy reserve requirements have been met. The amount available for the longevity distribution is the amount of investment earnings on reserves above the Board approved confidence level for each program as of June 30. The distribution is weighted based on the member's length of time in that program and the amount of the member's annual contributions compared to the total contributions of all pool members.

REMINDER – SDRMA's Safety/Claims Education Day/Annual Membership Meeting is Tuesday, March 28 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including breakfast, lunch and refreshments. For more information, please visit our website at www.sdrma.org and click on "Register for a Training Workshop" on the right side of the page.

Thank you for your participation and helping make SDRMA a premier risk management provider! If you have any questions, please contact the SDRMA Finance Department at 800.537.7790 or 916.231.4141.

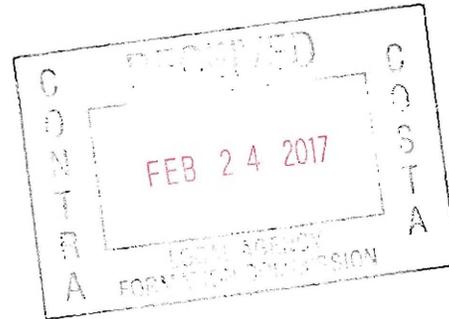
Sincerely,
Special District Risk Management Authority



Jean Bracy, President
Board of Directors

February 22, 2017

Ms. Kathryn Sibley
Executive Assistant
Contra Costa Local Agency Formation Commission
651 Pine Street, 6th Floor
Martinez, California 94553-1229



RE: Workers' Compensation Longevity Distribution

Dear Ms. Sibley,

On February 2, 2017, the SDRMA Board of Directors approved a longevity distribution for the eighth year in a row. The Longevity Distribution Policy was adopted by the Board to recognize and reward members for their loyalty and commitment to SDRMA programs. The policy is consistent with the goals and objectives of the Board's strategic business plan and helps ensure pool stability by rewarding members for remaining in our Property/Liability and Workers' Compensation programs.

This year, the Board approved a longevity distribution in the amount of \$463,920 for Workers' Compensation members and \$247,965 for Property/Liability members. For the Workers' Compensation program, over 90% of members will receive the distribution credit and for the Property/Liability program, over 91% of members will receive the distribution credit.

Congratulations! Since you have participated in our Workers' Compensation Program for 7 years as of June 30, 2016, your agency will receive a longevity distribution credit on your 2017-18 renewal contribution invoice in the amount of \$14. We encourage you to share this valuable news with your governing body!

There is no action required by your agency. Every member that has completed the 3 full program year initial commitment period for the Workers' Compensation program is eligible to receive a longevity distribution credit when they renew coverage. The longevity distribution may be declared by the Board of Directors each year only after all Board policy reserve requirements have been met. The amount available for the longevity distribution is the amount of investment earnings on reserves above the Board approved confidence level for each program as of June 30. The distribution is weighted based on the member's length of time in that program and the amount of the member's annual contributions compared to the total contributions of all pool members.

REMINDER – SDRMA's Safety/Claims Education Day/Annual Membership Meeting is Tuesday, March 28 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including breakfast, lunch and refreshments. For more information, please visit our website at www.sdrma.org and click on "Register for a Training Workshop" on the right side of the page.

Thank you for your participation and helping make SDRMA a premier risk management provider! If you have any questions, please contact the SDRMA Finance Department at 800.537.7790 or 916.231.4141.

Sincerely,
Special District Risk Management Authority


Jean Bracy, President
Board of Directors

CALAFCO Daily Legislative Report as of Wednesday, March 01, 2017

March 8, 2017
 Agenda Item 12a

1

[AB 464](#) ([Gallagher R](#)) Local government reorganization.

Current Text: Introduced: 2/13/2017 [Text](#)

Introduced: 2/13/2017

Status: 2/27/2017-Referred to Com. on L. GOV.

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

Summary:

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, current law requires that an applicant seeking a change of organization or reorganization submit a plan for providing services within the affected territory that includes, among other requirements, an enumeration and description of the services to be extended to the affected territory and an indication of when those services can feasibly be extended. This bill would specify that the plan is required to also include specific information regarding services currently provided to the affected territory, as applicable, and make related changes.

Position: Sponsor

Subject: Annexation Proceedings

CALAFCO Comments: This bill makes a fix to Gov. Code Sec. 56653 based on the court finding in the case of The City of Patterson v. Turlock Irrigation District. The court found that because the services were already being provided via an out of area service agreement, the application for annexation was deemed incomplete because it was not a new service to be provided. By making the fix in statute, any pending/future annexation for a territory that is already receiving services via an out of area service agreement will not be in jeopardy.

There is a pending amendment as (b)(3) should read "proposed" rather than "provided".

[AB 979](#) ([Lackey R](#)) Local government.

Current Text: Introduced: 2/16/2017 [Text](#)

Introduced: 2/16/2017

Status: 2/17/2017-From printer. May be heard in committee March 19.

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

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts and makes related findings and declarations. This bill would make nonsubstantive changes to those findings and declarations.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: Currently in spot bill form, this bill is co-sponsored by CALAFCO and CSDA. The intent is to amend code Sec. 56332.5 to streamline the process of seating special districts on LAFCo by mirroring current statute 56332 (the

process for electing special district representatives into the special district seats). Keeping the process voluntary, it allows for voting by mail whether or not the district wants to have special districts represented on LAFCo. Further, it will allow for the consolidation of that question with the independent special district selection committee appointment to a countywide redevelopment agency oversight board pursuant to Health and Safety Code 34179 (j)(3).

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: 1/12/2017-Referred to Com. on GOV. & F.

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.

Attachments:

[CALAFCO Support Letter Feb 2017](#)

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: This bill is identical to SB 817 (Roth, 2016), SB 25 (Roth, 2015) and SB 69 (Roth, 2014) with the exception of the chaptering out language included in the 2016 version (which addressed the companion bill AB 2277 (Melendez, 2016)). The bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2017/18 year for cities that incorporated between 1-1-2004 and 1-1-2012.

SB 448 (Wieckowski D) Local government: organization: districts.

Current Text: Introduced: 2/15/2017 [Text](#)

Introduced: 2/15/2017

Status: 2/23/2017-Referred to Com. on GOV. & F.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified, and defines various terms for these purposes. This bill would define the term “inactive district” for purposes of that act.

Position: None at this time

Subject: CKH General Procedures

CALAFCO Comments: This is a spot bill. According to the author's office, they have

been working with the State Controller's office on the clean-up of inactive districts (both dependent and independent). CALAFCO was not contacted by the author's office, but has talked with them since the bill's introduction and will work with the author's office as the bill is amended.

[AB 267](#) ([Waldron R](#)) Community services districts.

Current Text: Introduced: 2/1/2017 [Text](#)

Introduced: 2/1/2017

Status: 2/2/2017-From printer. May be heard in committee March 4.

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

Summary:

Current law provides for the organization and powers of community services districts, including the continuation of any community services district, improvement district of a community services district, or zone of a community services district, that was in existence on January 1, 2006. This bill would make nonsubstantive changes to these provisions.

Position: Watch

CALAFCO Comments: According to the author's office this is a spot bill.

[AB 355](#) ([Chu D](#)) State Water Resources Control Board: public water systems: collaboration.

Current Text: Introduced: 2/8/2017 [Text](#)

Introduced: 2/8/2017

Status: 2/21/2017-Referred to Com. on E.S. & T.M.

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

Summary:

Would require the State Water Resources Control Board to collaborate with all public water systems to improve drinking water infrastructure and ensure adequate, safe, and clean drinking water supplies.

Position: Watch

Subject: Water

CALAFCO Comments: Spot bill pertaining to drinking water.

[AB 577](#) ([Caballero D](#)) Disadvantaged communities.

Current Text: Introduced: 2/14/2017 [Text](#)

Introduced: 2/14/2017

Status: 2/27/2017-Referred to Coms. on E.S. & T.M. and L. GOV.

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

Summary:

Current law defines a disadvantaged community as a community with an annual median household income that is less than 80% of the statewide annual median household income for various purposes, that include, but are not limited to, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, eligibility for certain entities to apply for funds from the State Water Pollution Cleanup and Abatement Account, and authorization for a community revitalization and investment authority to carry out a community revitalization plan. This bill would instead define a disadvantaged community as a community with an annual per capita income that is

less than 80% of the statewide annual per capita income.

Position: Watch
Subject: Disadvantaged Communities

AB 645 (Quirk D) Local government: organization: dissolution.

Current Text: Introduced: 2/14/2017 [Text](#)

Introduced: 2/14/2017

Status: 2/15/2017-From printer. May be heard in committee March 17.

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

Summary:

Under current law, if a change of organization consists of a dissolution, the commission is required to order the dissolution subject to confirmation of voters if, among other things, the proposal was not initiated by the commission and if a subject agency has not objected to the proposal, the commission has found that, for an inhabited territory protests have been signed by either 25% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 25% of the voters entitled to vote as a result of residing or owning land within the affected territory. This bill would decrease that threshold to 10% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 10% of the voters entitled to vote as a result of residing or owning land within the affected territory.

Position: Watch
Subject: CKH General Procedures, Disincorporation/dissolution, Special District Consolidations
CALAFCO Comments: According to the author's office this is a spot bill pending the outcome of the Alameda LAFCo special study on Eden Healthcare District.

AB 741 (Cervantes D) Public cemetery districts.

Current Text: Introduced: 2/15/2017 [Text](#)

Introduced: 2/15/2017

Status: 2/16/2017-From printer. May be heard in committee March 18.

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

Summary:

Current law contains provisions relating to the establishment of public cemetery districts, including the formation of a district, the selection of a district governing board, and the powers and duties of the board. This bill would make technical, nonsubstantive changes to these provisions.

Position: Watch
Subject: Other
CALAFCO Comments: This is a spot bill.

SB 80 (Wieckowski D) California Environmental Quality Act: notices.

Current Text: Amended: 2/14/2017 [Text](#)

Introduced: 1/11/2017

Last Amended: 2/14/2017

Status: 2/14/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on EQ.

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

Summary:

The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agencies offer to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

Position: Watch

Subject: CEQA

SB 206 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/1/2017 [Text](#)

Introduced: 2/1/2017

Status: 2/9/2017-Referred to Com. on GOV. & F.

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

Summary:

Would enact the First Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support Feb 2017](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 207 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/1/2017 [Text](#)

Introduced: 2/1/2017

Status: 2/9/2017-Referred to Com. on GOV. & F.

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

Summary:

Would enact the Second Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support Feb 2017](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 208 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/1/2017 [Text](#)

Introduced: 2/1/2017

Status: 2/9/2017-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conc.
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Summary:

Would enact the Third Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support Letter Feb 2017](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

[SB 365](#) (Dodd D) Regional park and open-space districts: County of Solano.

Current Text: Introduced: 2/14/2017 [Text](#)

Introduced: 2/14/2017

Status: 2/23/2017-Referred to Coms. on GOV. & F. and RLS.

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

Summary:

Current law authorizes proceedings for the formation of a regional park and open-space or regional open-space district in specified counties in the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would authorize the formation of a regional district in the County of Solano to be initiated by resolution of the county board of supervisors after a noticed hearing. The bill would specify the contents of the resolution, including the calling of an election, as prescribed.

Position: Watch

CALAFCO Comments: This bill calls for the formation of a regional park and open space district which will circumvent the LAFCo formation process. CALAFCO has discussed our concerns with the author's office and we will watch for any amendments before taking a position.

[SB 435](#) (Dodd D) Williamson Act: payments to local governments.

Current Text: Introduced: 2/15/2017 [Text](#)

Introduced: 2/15/2017

Status: 2/23/2017-Referred to Com. on GOV. & F.

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

Summary:

Would, under the Williamson act, reduce the amount per acre paid to a city, county, or city and county under these provisions to \$2.50 for prime agricultural land, \$0.50 for all other land devoted to open-space uses of statewide significance, and, for counties that have adopted farmland security zones, \$4 for land that is within, or within 3 miles of the sphere of influence of, each incorporated city.

Position: Watch

Subject: Ag Preservation - Williamson

[SB 634](#) (Wilk R) Santa Clarita Valley Water District.

Current Text: Introduced: 2/17/2017 [Text](#)

Introduced: 2/17/2017

Status: 2/21/2017-From printer. May be acted upon on or after March 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conc.
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Summary:

Current law, the Castaic Lake Water Agency Law, created the Castaic Lake Water Agency and authorizes the agency to acquire water and water rights, including water from the State Water Project, and to provide, sell, and deliver water at wholesale for municipal, industrial, domestic, and other purposes. This bill would repeal the Castaic Lake Water Agency Law. This bill contains other related provisions and other current laws.

Position: None at this time

Subject: Special District Consolidations

CALAFCO Comments: This bill consolidates two independent water districts in Los Angeles and does not include the LAFCo process.

Total Measures: 16

Total Tracking Forms: 16

3/1/2017 12:21:51 PM

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – MARCH 8, 2017**

March 8, 2017
Agenda Item 12b

LAFCO APPLICATION	RECEIVED	STATUS
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
Heyden-Montalbo Annexation to City of Martinez – proposed annexation of 0.12+ acres (one parcel) on Sierra Avenue	Jan 2017	Under review

El Cerrito clinic offers urgent care services in wake of hospital closure

A former emergency room physician at Doctors Medical Center in San Pablo has a new business idea that aims to fill some of the void in urgent medical care left by the hospital's 2015 closing.



Sumi Vasquez, left, medical assistant at New MD Urgent Care Clinic attaches a blood pressure collar to patient Kris Davis, of Richmond, in El Cerrito, Calif., on Tuesday, Jan. 31, 2017. The clinic that provides basic medical services recently opened. (Anda Chu/Bay Area News Group)

By [Rick Radin](#) | Bay Area News Group

PUBLISHED: **February 7, 2017** at 12:31 pm | UPDATED: February 7, 2017 at 1:46 pm

EL CERRITO — A former emergency room physician at Doctors Medical Center in San Pablo has a new business idea that aims to fill some of the void in urgent medical care left by the hospital's 2015 closing.

New MD & Urgent Care's El Cerrito location opened at the Moeser Lane Shopping Center in December.

Under founder Dr. Ian Ahwah, who was with Doctors for about 20 years, New MD provides treatment for the most common complaints for which patients seek treatment at emergency rooms, including sprains, strains, flu, asthma and bronchitis, as well as providing vaccinations, sports physicals and occupational medicine.

It has its own laboratory and pharmacy, and is equipped to do X-rays, but not CAT scans, Magnetic Resonance Imaging or ultrasound, Ahwah said.

When the situation arises, the clinic also can stabilize patients with more serious conditions, such as heart attack and stroke, and then calls 911 to take them to full-service emergency rooms such as Kaiser Hospital in Richmond, Alta Bates in Berkeley or Contra Costa Regional Medical Center in Martinez, Ahwah said.

The clinic aims to fill a niche for patients with medical insurance between county-operated clinics that take Medi-Cal patients and offer free services, and full-service emergency rooms that charge facilities fees on top of professional fees for seeing a physician, Ahwah said.

“A lot of patients today have medical insurance with high deductibles so they have to be careful about showing up at a hospital emergency room that might charge \$2,000 to \$3,000 just to get in the door,” Ahwah said. “We only bill insurance for the professional services component.”



New MD Urgent Care Clinic is photographed in El Cerrito, Calif., on Tuesday, Jan. 31, 2017. The clinic that provides basic medical services recently opened. (Anda Chu/Bay Area News Group)

The clinic is open from 9 a.m. to 5 p.m. weekdays but plans to offer after-hours and weekend coverage to supplement the services of private primary-care physicians.

Ahwah also heads an urgent care facility in American Canyon in Napa County that has been operating for about three years, and is in the planning stages to open a third clinic in Pinole.

The locations of the three clinics will roughly bracket the Doctors Medical Center service area that ran from Crockett on the north to El Cerrito on the south.

The American Canyon and El Cerrito clinics have nine doctors on staff, including six who worked with Ahwah at Doctors Medical Center.

The business model is working well so far at the American Canyon clinic, Ahwah said.

“We saw 50 patients there yesterday,” he said. “It took about nine months to get it fully up and running.”

The clinics do have one major advantage over the system at Doctors — computerized medical records, which flag drug interactions and keep easily accessible records of past treatments.

“Everything we did at Doctors involved sorting through paper records,” Ahwah said. “Here, we have everything computerized and interactive.”

Details

New MD & Urgent Care clinic is in the Moeser Lane Center at 10612 San Pablo Ave., El Cerrito. 510-529-4629.

Hospital detachment effort gets final LAFCO approval

- By Frank Robertson Staff Writer
- February 8, 2017

A small but dedicated audience of Russian River residents applauded a county governance panel's final decision last week to detach the river area from the Palm Drive Health Care District's parcel tax rolls.

"You should feel very proud of yourselves," said Sonoma County Local Agency Formation Commission (LAFCO) Vice Chairman Teresa Barrett prior to LAFCO's unanimous vote last week.

The vote culminates a two-year-plus effort by TAUT, Taxpayers Against Unfair Taxes, to detach the Forestville, Guerneville and Monte Rio school districts from the Palm Drive Health Care District that levies an annual parcel tax of \$155 on property owners in the health care district comprising most of western Sonoma County.

River area detachment sponsors said river property owners have already paid more than \$23 million in parcel taxes since the hospital tax was created in 2004 but have benefitted from only a fraction of that — less than one percent — in terms of cumulative hospital benefits.

"We have paid more than our fair share," said another TAUT supporter, Monte Rio property owner Michele McDonell, at last week's public hearing.

Detachment means the river area will continue to pay parcel taxes needed to pay off the health care district's existing mountain of debt that includes about \$24 million in long term bond obligations, plus approximately \$9 million owed to employees and vendors in bankruptcy claims.

But the detached river area property owners would not be burdened for hospital operation costs or future bonded debt, although it was not clear after last week's vote whether the health care district may be responsible for debts incurred by the Sonoma West Medical Center (SWMC), the nonprofit entity now operating Sebastopol's former Palm Drive Hospital.

With Sebastopol's hospital facing an uncertain fiscal future, including the prospect of more borrowing, "We want to be out" before new debts pile up, said Forestville resident Gary Harris, who with his wife, Carolyn Harris, and the late Margaret Benelli of Guerneville, succeeded in guiding the detachment petition drive to its culmination last week.

If SWMC goes under, "I'm afraid the district will be on the hook for more money," said Harris.

Last week's vote also included an agreement over how much the detachment petition effort will be billed to cover the cost of the detachment process.

The bill for services, including LAFCO staff time, attorney fees and other expenses, will probably exceed \$10,000, said LAFCO Executive Officer Mark Bramfitt in a report to the commission last week.

But the seven commissioners on LAFCO, which regulates the boundaries of cities and special districts in Sonoma County, agreed to limit the expenses due from the petitioners to about \$5,000.

The fee represents the cost for LAFCO's outside expenses such as legal fees, county recorder's office charges and state board of equalization bills.

TAUT, which has already put up a \$2,500 deposit with LAFCO for detachment process costs, will pay the remaining bill from TAUT support funds but may need to hold a fundraiser later this year at the Rio Nido Roadhouse to cover out-of-pocket expenses, said Gary Harris.

More than 2,000 river area residents signed the petition in favor of detachment, a number representing more than 25 percent of voters within the detachment districts.

The effect of detachment on the hospital's long-term survival is not clear. Health care district directors last year said detaching the river area would force the hospital to close.

A LAFCO study last year said detachment of the Guerneville, Monte Rio and Forestville area would reduce the health care district's parcel tax revenues by as much as 40 percent and could require the district to increase property taxes elsewhere or sell more bonds to keep the hospital going.

"The district would not become insolvent in the event of detachment — it simply wouldn't have the resources to devote to hospital subsidies as planned," says the LAFCO Municipal Service Review conducted last year.

The hospital's precarious financial condition makes it "challenging" to figure out what the district's future holds, says the MSR.

Annual parcel tax revenues total approximately \$3.7 million in the 200-square-mile health care district that includes nine school districts encompassing the communities of Sebastopol, Graton, Forestville, Bodega Bay, Carmet, Salmon Creek, Jenner, Duncans Mills, Guerneville, Occidental, Freestone, Rio Nido, Monte Rio, Summerhome Park and Mirabel Heights.

Health care district directors opposed the detachment but failed to generate much support for their position. Detachment opponents had until last Wednesday to submit protests but just one protest had been sent to LAFCO by last week's deadline, said LAFCO's Bramfitt.

None of the health care district's elected directors showed up for last week's public hearing.

East Bay Times

Guest Commentary: East County leaders must act to reallocate funds



East Contra Costa Fire Station 54.

By [Judith Prieve](mailto:jprieve@bayareanewsgroup.com) | jprieve@bayareanewsgroup.com |

PUBLISHED: February 10, 2017 at 11:12 am | UPDATED: February 10, 2017 at 12:10 pm

The East County Voters for Equal Protection, a nonpartisan citizens action committee, is organizing a workshop later this month to discuss a proposal to correct the structural funding deficiency that is afflicting the local fire services agency, the East Contra Costa Fire Protection District.

Twenty-two local government entities have been invited, including the county, the cities of Brentwood and Oakley, special districts and schools.

The proposal ECV is advocating will improve ECCFPD funding by about \$7.8 million, and potentially provide for three additional fire stations, bringing the district's total to six. There are now just three permanent stations serving 110,000 people spread over 249 square miles. The proposal relies on the traditional growth in property tax revenues to avoid any cuts in current funding. If the proposal is adopted the increased property tax revenues that 22 government entities can expect would grow a little slower over a three or four year program implementation period.

This proposal is a significant one. It is the type of policy decision that elected officials, the chosen representatives of the public, need to make because it is the general public who will benefit from this program.

Government administrators are naturally opposed to this proposal. City managers, schools administrators, the county administrator, have all gone on record opposing the solution because their specific government entity would lose future funds.

These government workers are not looking at the big picture. All government funds come, in one manner or another, from the public taxpayers. The money ought to be used to meet the needs of today's taxpayer population.

That's why the elected representatives of the people need to make this decision, not those who are paid to operate pieces of the people's business.

The Ghost Ship Fire occurred in Oakland several months ago. It was a tragedy that took the lives of 36 people at a warehouse in the city's District 5. Noel Gallo is the city council member who represents District 5, and he stepped forward visibly during the crisis. He is a former school board member who understands the importance of fire and emergency medical response services to a community. Gallo will speak at the fire district funding workshop.

The structural funding problem that has increased response times and reduced the number of firefighters is not a new phenomenon. It has grown as East County's population has grown, dramatically since the late 1990s. Attempts to solve the problem with new tax measures have failed three times.

This proposal, if adopted, will address this structural funding problem. It will provide money to East County fire and emergency medical services so that ECCFPD receives an allocation rate closer to the rate that other parts of the county receive for their fire and emergency medical services. The funding allocation rate will then be at about the average for the county's fire districts.

Shifting public money to a higher-priority service, in many cases a life-sustaining service, is the right thing to do. Three lives have been lost due to inadequate response capability, a fire department official has said.

The proposal being brought forth is not new. It has been talked about for over 15 months. ECV was formed in January of 2016. The leaders of this group have made 19 formal presentations to public agencies, civic and social groups. They have attended over 46 meetings with elected, hired, or appointed officials, and conducted 10 public committee meetings. Over 75 articles and opinion pieces have been published in local periodicals, online, and in social media by ECV.

It is time for our elected representatives the people to do what's best for the people.

Bryan Scott is a Brentwood resident and Co-Chair of East County Voters for Equal Protection, a non-partisan citizens action committee whose aim is to improve funding for the ECCFPD. He can be reached at scott.bryan@comcast.net, or 925-418-4428. The group's Facebook page is <https://www.facebook.com/EastCountyVoters/>.

East Bay Times

Commentary: Twin tunnels prevent general water solutions



Rain runoff flows along Prospect Street in Berkeley, Calif., on Thursday Feb. 9, 2017. (Anda Chu/Bay Area News Group)

By [Karen Mitchoff and Diane Burgis](#) |

PUBLISHED: **February 10, 2017** at 12:00 pm | UPDATED: February 10, 2017 at 12:25 pm

This winter and spring may forever be known – like many fishermen would say – as “the one that got away.”

Over the past two months, California has experienced a series of severe storms, which caused numerous cities and counties to declare states of emergency. Rather than having the necessary storage capacity in place to collect and store storm water runoff for future use, massive amounts of rainwater from our bountifully wet winter flowed down swollen creeks and rivers, through the Delta and out the San Francisco Bay to the ocean. It’s water that we desperately need during drought conditions like those we’ve experienced for much of the last decade.

And this spring, we will watch it happen again as the Sierra snowpack melts.

Why the failure? State leaders have almost singularly focused on building giant tunnels in the Sacramento-San Joaquin Delta to ship water southward while ignoring the bigger picture to address California’s ongoing and future water needs.

The state’s plan, known as the California WaterFix, has dominated the state’s water policy agenda at the expense of the Delta and other less fiscally and environmentally controversial water projects. As a result, the Delta will continue to deteriorate and there may never be a genuine water solution for California.

If the state continues to focus its political will on the WaterFix and its twin tunnels, it will continue to miss opportunities to be more effective and efficient managers of water. There are better, more cost-effective solutions that don't pit Northern and Southern California against one another in the quest for reliable and high-quality water supplies.

Local communities are already investing in storm water capture devices, low-impact development building standards, conservation measures and groundwater recharge but we need to quickly implement these types of solutions on a larger scale in order for them to make a significant difference. Planning for drought may be difficult in wetter periods, but we must act.

Capturing a portion of the more than 1 million gallons per second of water currently flowing out into the San Francisco Bay is also possible; however, additional above- and below-ground storage is needed for this to occur. With warmer winters and snow melt often occurring earlier in the season, water supply from our snow pack is less reliable, which emphasizes the need to start making storage a priority.

The mission of the twin tunnels to move more water south is hopeless. The science is clear: Exporting too much water from the Delta in dry years, which is the unspoken goal of the California WaterFix, will cause irreversible impacts to the ecosystem, push protected fish species to the brink of extinction and damage our region economically and environmentally.

Instead of the WaterFix, what if the state had focused its efforts on completing storage projects, levee improvements and better use of taxpayer-funded bond money to more swiftly construct essential statewide water projects?

We should have been better prepared for the storms. Now we need state leadership and the Legislature to rededicate themselves to sustainable options that the state and local communities can afford and implement in a reasonable time frame. It's imperative we take advantage of abundant rainfall and snowpack.

If state leaders continue to have tunnel vision, we'll continue to lose opportunities to move forward in a manner that benefits every Californian. It's past time to get serious about taking the necessary steps for what will hopefully be the next bountiful rain year. We can't "let 'em all get away."

Karen Mitchoff is a member of the Delta Counties Coalition, vice chair of the Contra Costa County Board of Supervisors and serves on the Delta Protection Commission and Sacramento-San Joaquin Delta Conservancy Board. Diane Burgis is a member of the Delta Counties Coalition, the Contra Costa County Board of Supervisors and the Delta Protection Commission. She also lives on the Sacramento-San Joaquin Delta.

News Deeply/Water Deeply

Learning from Oroville: Water Board Proposes Climate Change Resolution

A new resolution from the State Water Resources Control Board would make sure that climate science is integral to all its work, providing a much-needed example for other agencies to follow, writes scientist Juliet Christian-Smith.

Written by [Juliet Christian-Smith](#) Published on σ Feb. 20, 2017 Read time Approx. 3 minutes



This aerial view looks east toward Oroville Dam and Lake Oroville, showing the damaged spillway with its outflow of 100,000 cubic feet per second (around 2,800 cubic meters per second) at the Butte County site. *Dale Kolke / California Department of Water Resources*

Earlier this week, while areas downstream of Oroville Dam were still under an evacuation order, California's State Water Resources Control Board released a [draft resolution for a comprehensive response to climate change](#).

It resolves that the agency will embed climate science into all its existing work, both to mitigate greenhouse gas emissions and to build resilience to the impacts of climate change. In doing so, the state water board demonstrates how public agencies can respond more proactively to the challenges that global warming is bringing our way.

A Failure to Plan Is a Plan to Fail

After five years of record drought conditions, California has received more rain in just a couple of months than its reservoirs can store. This may seem strange but it is exactly what [climate](#)

[scientists have predicted](#) for the state since the 1980s: prolonged warm and dry conditions punctuated by intense wet spells, with more rain and less snow, causing both drought and floods.

Despite having a wealth of science at our fingertips describing how our water system is changing due to global warming, too often we have not put this information to use. During the federal relicensing of the Oroville Dam, the California Department of Water Resources (DWR) [chose not to assess](#) how climate change might affect the dam's operation.

In response to this “foundational error,” Butte County and Plumas County sued the DWR. Their suit argues that the environmental analysis associated with the dam relicensing should be rejected as unscientific. It stated, “Rather than rigorously assessing climate change, DWR’s Oroville FEIR [Final Environmental Impact Report] presumes that hydrologic variability from the previous century ‘is expected to continue in the foreseeable future’ and that it would be ‘speculative’ to further analyze other climate change scenarios ... Due to this error, the FEIR is predicated upon a hypothetical future that DWR knows to be dangerously false.”

While we know that the past is no longer a predictor of the future, we continue to plan for the past. It’s easier, it seems less expensive, but it has huge, hidden costs – costs now being borne by the nearly 200,000 residents who were evacuated, by the affected counties, and, eventually, by taxpayers who will pay to repair the damage.

This is why it is highly important to plan for the future, and particularly more “extreme” climate conditions. We are on the precipice of giving away almost \$3 billion of public money for new water infrastructure without requiring these new water projects to use climate science and existing modeling results to assess how the proposed projects would fare under more “extreme” climate conditions. The [Union of Concerned Scientists](#) has repeatedly encouraged the California Water Commission to require that new water projects provide a quantitative assessment of the impact of climate “extremes” on project operations. However, in December 2016 the California Water Commission [approved regulations without this requirement](#).

State Water Board Commits to Using Climate Science

Mistakes are an inevitable part of life, but we need to learn from our mistakes. The state water board has taken an important step forward by drafting its resolution, which requires that the state and regional water boards rely on sound modeling and analyses that incorporate relevant climate change data and model outputs to account for and address impacts of climate change in permits, plans, policies and decisions.

There are many lessons from the Oroville Dam crisis, including the critical importance of using science to prepare for a future that will be different from the past due to global warming. We applaud the state water board for its leadership and hope other agencies will soon follow and commit to making better decisions using climate science.

The views expressed in this article belong to the author and do not necessarily reflect the editorial policy of Water Deeply.



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Print this page

Published February 22, 2017

MOFD director threatens to resign over financials

By Nick Marnell

In its analysis of the district financial statements, the Moraga-Orinda Fire District financial reporting ad hoc committee, comprising directors John Jex and Craig Jorgens, found that the district reported \$20 million more in assets than it actually had, a mistake that the committee insisted the district correct before publication. "The liability associated with a false and misleading financial statement is tremendous," said Jex, a retired Deloitte audit partner. "I would not be able to serve on the board if you put out a financial statement that you know is incorrect."

In 2005, the district purchased a \$28 million pension obligation bond to pay down its unfunded pension liability with its retirement plan manager, the Contra Costa County Employees' Retirement Association. MOFD carried this prepayment -\$20 million by 2016 - on its books, in addition to the net pension liability that CCCERA provided the district, which already included the prepayment. In effect, the district reported the same asset twice.

Pension reporting rules changed with the issuance of Statement No. 68 from the Governmental Accounting Standards Board in 2012, which directed government entities to stop reporting a prepaid unfunded pension liability as an asset by the fiscal year ending June 30, 2015. According to the MOFD ad hoc committee, the district continues to report its prepaid pension liability incorrectly, and the \$20 million prepayment should be written off. Jorgens said that based on GASB 68 Contra Costa County, a CCCERA member, wrote off \$300 million.

MOFD administrative services director Gloriann Sasser said that in 2015 she followed the guidance of the California Committee on Municipal Accounting in implementing the rules of GASB 68. The district auditor made no adjustments to her work and MOFD received an award from the Government Finance Officers Association for excellence in its financial reporting. "The GFOA director said that if we had implemented GASB 68 wrong, they would tell me," Sasser said.

Jorgens spoke with a senior staff member of the Governmental Accounting Standards Board who he said will offer guidance on correct implementation of the pension accounting standards on a conference call. Until that occurs, the ad hoc committee advised that the district not publish, post online or otherwise indicate that its financial statement for the fiscal year ending June 30, 2106 is accurate. "We will be materially misstating a fact by \$20 million that we have to supply to the public and our creditors," Jorgens said. The district plans to schedule the GASB 68 conference call at a special board meeting March 1.

MOFD remains sensitive about employee pension accounting. In 2008, the district incorrectly calculated the pension of its retiring fire chief, and the CCCERA board ruled that the chief had to return more than \$1 million in improperly earned retirement benefits.

Reach the reporter at: nick@lamorindaweekly.com

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News Deeply/Water Deeply

How the San Francisco Bay Area Is Balancing New Development and Water

Population growth in the Bay Area is spurring the need for new housing developments, but in water-stressed California this means that regional planners have to be more strategic.

Written by [Robin Meadows](#) Published on Feb. 24, 2017 Read time Approx. 5 minutes



A luxury apartment building is under construction in Mountain View, California. The San Francisco Bay Area's population is expected to grow by 2 million people in the next 25 years, forcing regional planners to try to balance development needs with water resources. *Tara Lohan*

The San Francisco Bay Area is likely to be a lot more crowded in the near future, adding a projected 2 million people to the 7.5 million who already live here over the next quarter century. Planners traditionally focus on meeting housing and transportation needs as a region grows. But more people also means more demand for water – and choices we make today will determine how far our water goes in the future. Now regional planners have begun to address the disconnect between land use and water supply.

Whether or not we have enough water for growth depends on factors including climate change and the way we grow. “Climate change is a little out of our control, so we should focus on what we can control: the urban form and water efficiency,” said [Laura Tam](#), sustainable development policy director of [SPUR](#), a nonprofit dedicated to urban planning. “If we can sustain the current rate of water conservation, we could add only a fraction of water use even if we add millions of people to the Bay Area,” she explained.

[In 2010, California's per capita water use in cities was 178 gallons \(674 liters\) a day. And by 2015, several years into our recent severe drought, that was down to 130 gallons \(492 liters\) a day.](#) “One of the most encouraging outcomes of the drought is that we found out how much urban water use is discretionary,” Tam said.



Construction takes place at the site of Station Park Green, a mixed-use development with 599 residential units, 10,000 square ft (930 square meters) of office space and 60,000 square ft (5,575 square meters) of retail space, in San Mateo, Calif. Infill development is seen by regional planners as more water-wise than suburban growth. (Tara Lohan)

Strategies for shrinking the water footprint of new housing include compact development, or urban infill comprising multifamily housing with shared green spaces. “The average urban housing unit is more water-efficient than a suburban house,” Tam said. Compact development has less landscaping, which typically accounts for one-third of residential water use statewide. In addition, [perhaps one-tenth of California’s water supply is lost to leaks](#), and compact development means shorter pipelines, which inherently reduce the chance of leaks.

Compact development can also help low-income people save money, in part by letting them live closer to work. When low-income people live far from their jobs, transportation costs can be as high as housing costs, according to a [2006 report from the nonprofit Center for Housing Policy](#). In contrast, living near a city center decreases transportation costs by an average of 40 percent.

Another way to keep growth’s water demand in check is water-neutral development. This approach offsets the increased water needs of new housing via a combination of conservation and retrofits to existing developments. “Many old buildings have old fixtures, and the amount of water you can save with new ones is very significant,” Tam said. Installing water-efficient fixtures could save 22.5 gallons (85 liters) per person per day, according to [a 2014 report by the Pacific Institute and the Natural Resources Defense Council](#).

The [East Bay Municipal Utility District](#) requires water offsets when new housing is annexed to its existing service area. So far, the district has struck deals on six water-neutral developments, according to [a 2015 report by the Alliance for Water Efficiency](#). Similarly, some Bay Area cities are requiring water offsets before moving forward on proposed developments, said Nicole Sandkulla, CEO of the [Bay Area Water Supply and Conservation Agency](#) (BAWSCA), which represents 26 water suppliers in Alameda, San Mateo and Santa Clara counties.

The City of Brisbane, for example, is requiring water neutrality for the proposed [Baylands development](#), 4,400 residential units on a former landfill and rail yard near the shores of the Bay. “The city says there’s not enough water and asked the developer to come up with it,” Sandkulla said. Likewise, Redwood City is requiring water neutrality for the proposed [Saltworks development](#). This controversial project initially entailed up to 12,000 residential units on a former commercial salt production site on the edge of the Bay.

Moreover, the City of East Palo Alto is so tight on water that a building moratorium is in effect through the summer of 2018. And, said Sandkulla, other BAWSCA cities are short on the water needed to supply new development mandates proposed by the [Association of Bay Area Governments](#) (ABAG) under the forthcoming Plan Bay Area 2040. “ABAG is looking to push more people into the West Bay urban corridor, but some cities don’t have enough water,” she said. “ABAG needs to check in with water suppliers earlier – the focus has been on housing and transportation, but the other finite resource we have to address is water.”

In [a letter to regional authorities last October](#), Sandkulla wrote, “We strongly urge you to work with local water suppliers to consider the long-term water supply reliability implications of your regional land use planning effort.”

ABAG’s current regional housing plan states that “local jurisdictions consider infrastructure requirements, including water and sewer capacity, when developing their general plans and neighborhood plans,” but then adds that “this information is not used to limit a jurisdiction’s housing allocation.” In addition, there is little mention of the water supply in the current Plan Bay Area, which was adopted in 2013, said ABAG resilience planner Michael Germeraad.

But he does see signs of better coordination between land use planning and the water supply. “In the past, there was less pressure on discussions of growth and water,” Germeraad said, adding, “Now, we’re moving towards considering water earlier in the process.”

ABAG’s 2015 annual meeting focused on actions cities and counties can take for drought resilience, and in 2016 the agency began facilitating meetings between elected officials and water utilities to discuss growth. “Understanding the water supply could inform the development process – for example, we could build differently to reduce water consumption of new units,” said Germeraad, citing built-in dual-pipe systems for drinking water and gray water as an example.

The need to plan our future water use is further intensified by climate change. In the years to come, the Sierra Nevada snowpack that provides much of the Bay Area’s water will likely be smaller, and the snow that does accumulate will likely melt before the end of the dry season, when we need it most. And, Germeraad pointed out, if our water supply drops as our population grows, “the water that we do have will be shared by more people.”

[This story](#) first appeared in the [Bay Area Monitor](#).

East Bay Times

A new plan to save Bay Area hospitals from closure

Since 1998, approximately 50 California hospitals have closed



New legislation by Senator Nancy Skinner would require the California Attorney General to sign off on any nonprofit hospital closure before it is allowed to proceed. (Kristopher Skinner/Bay Area News Group)

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OAKLAND — Bay Area politicians unveiled a new plan aimed at stopping a wave of hospital closures in California, including Berkeley's Alta Bates Hospital, slated for closure as early as 2020, by giving the state Attorney General the authority to review the impact of the decision before allowing it to move forward.

The legislation, authored by state Sen. Nancy Skinner (D-Berkeley), focuses on not-for-profit hospitals, such as Kaiser, Alta Bates and Summit. Under current law, California hospitals are only required to give a 90-day notice to the Department of Public Health prior to shutting down operations. If passed, the hospital would also be required to hold at least one public hearing.

The announcement comes two years after the [closure of Doctors Medical Center](#) in San Pablo, which recorded approximately 33,000 visits a year and served Richmond, Hercules, Pinole, San Pablo and surrounding communities. Since the closure, hospital admissions to the Kaiser Richmond Medical Center, the closest hospital, have tripled, according to Kaiser.

“Closing hospitals and emergency rooms worsen health outcomes and increase deaths,” Skinner said Monday at a press conference in Oakland. “There are longer waiting times for services, longer ambulance travel times and overcrowding at facilities.”

California has 6.7 emergency departments per 1 million people, the lowest ratio in the nation, [according to the American College of Emergency Care](#), and lacks adequate numbers of staffed inpatient and psychiatric care beds. Since 1998, 50 California hospitals have closed in the state, according to an [investigation by the Los Angeles Times](#), partly because the need for around the clock staffing makes them expensive to operate.

Hospitals say that with improvements in technology, more patients are now treated on an outpatient basis, requiring fewer beds. Critics counter that closures are largely profit-driven and argue that they put the most vulnerable at risk.

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In response to the closure of Doctors Medical Center, which closed after years of financial losses, and the looming closure of the 300-bed Alta Bates, new urgent care facilities have opened or are being built in Richmond, Emeryville, San Pablo and Berkeley. But urgent care facilities do not replace emergency rooms because they can't treat heart attacks and other cardiac problems, sepsis or significant fractures, said Dr. Desmond Carson, a former head of emergency care at Doctors Medical Center who now works at LifeLong Medical Center in San Pablo, a nonprofit health clinic.

“A clinic cannot take on a gunshot wound, a fractured femur or do surgeries,” Carson said at the news conference. “If you have a heart attack and you don't get to a place where we can open a vessel, you will lose time. And time is life.”

Hospital closures are politically unpopular, but politicians have had little recourse to challenge them. The hope is with the new legislation, which would require approval from the state, regulators will have more leverage to counter actions taken by hospitals, the politicians said.

“This is a smart and reasonable approach,” said Assemblyman Tony Thurmond, whose district includes Oakland, Berkeley, El Cerrito, Richmond and surrounding cities. “(Plans to close a hospital) should be reviewed and vetted by the Attorney General and should have a community meeting, which Sutter has not had the audacity to have.”

It was not immediately known what kind of support the bill, SB 687, has from other legislators.