

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

July 12, 2017 (Agenda)

July 12, 2017
Agenda Item 6

LAFCO 14-01 **Sphere of Influence Amendment – Contra Costa Water District - North Peak Equestrian Center**

APPLICANT Contra Costa Water District (CCWD)

ACREAGE & LOCATION The District proposes to expand its sphere of influence (SOI) by 9.68± acres to include the North Peak Equestrian Center located at 1550 Castle Rock Road in the unincorporated Walnut Creek area (APN 138-270-002) and outside the Urban Limit Line (ULL) - see attached map (Attachment 1). The District has also submitted a corresponding application to annex the property to CCWD. A portion of road right-of-way along Castle Rock Road is also included in the SOI and annexation applications to ensure a logical boundary.

PURPOSE The purpose of the proposal is to allow for the extension of treated water to the Equestrian Center property.

BACKGROUND The subject property has been used for public equestrian activities since 1985, and is the largest horse stable in Contra Costa County, currently boarding up to 150 horses on a year-round basis. The Equestrian Center supports classes for children and community events.

Since 1985, a groundwater system has been used to serve the property. The groundwater system supplies all water uses on site including public consumption, public restrooms, equine consumption and bathing, and dust control. The Equestrian Center has several large capacity water tanks that allow it to regulate supply depending on the needs of the horses and as temperatures vary. A caretaker lives onsite to ensure security.

On warm days, water consumption can be as high as 3,000 – 5,000 gallons per day. Until the onset of the extended drought in 2012, the Equestrian Center could rely on its groundwater system to meet water requirements at the site. The groundwater system is no longer able to provide the necessary quantity or quality of water needed by the Equestrian Center. When no groundwater is available, the Equestrian Center has resorted to obtaining trucked water from CCWD.

In June 2016, Contra Costa Environmental Health (CCEH) conducted a survey of the subject property and water system and found that the water system meets the statutory definition of a “public water system” and therefore must be permitted. In a letter dated October 10, 2016 (Attachment 2), CCEH concluded that the Equestrian Center would likely not be able to obtain a permit due to the lack of a reliable and safe water supply from the on-site wells or cistern, and that CCWD is the only available option that would resolve the water supply and water quality issues at the property. The District’s service area extends beyond the Equestrian Center to provide water service to East Bay Regional Park District’s Castle Rock staging area at the base of Mount Diablo. CCWD reports that there is an existing treated water distribution pipeline approximately 800 feet from the subject property. To obtain water from CCWD, a 2-inch water line would need to be extended from the terminus of the existing 8-inch water line within Castle Rock Road to the property, approximately 800 feet. In addition, a water meter, backflow device and 1-inch service line would be needed.

Should LAFCO approve the SOI expansion and subsequently approve the annexation, CCWD would work with the Bureau of Reclamation to obtain Central Valley Project (CVP) contract inclusion, which is required before the District can deliver CVP water to the property.

DISCUSSION The Cortese-Knox-Hertzberg Act (CKH Act) empowers LAFCO with the responsibility for developing and determining the SOI of each local agency within the County, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

An SOI is defined as *a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO*. The intent of an SOI is to identify the most appropriate area for an agency's extension of services in the foreseeable future (e.g., 10-20 year horizon). Accordingly, territory included in an agency's SOI is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

Pursuant to Government Code section 56425, when amending an SOI for a local agency, LAFCO is required to consider and prepare a written statement of determinations with respect to the following:

1. ***The present and planned uses in the area, including agricultural and open space lands*** – The County's General Plan designation for the subject property is Agricultural Lands (AL) and the zoning is A-2 (General Agriculture – 5 acre minimum). The property is outside the ULL and adjacent to an agricultural preserve area. Existing uses are agricultural, public recreation and urban. There are no current Williamson Act Land Conservation Agreements within the project site, and the proposed SOI amendment and pending annexation will facilitate no changes in land use and will have no impact on agricultural land or open space lands.
2. ***The present and probable need for public facilities and services in the area*** – There is present and probable need for treated water service to enable the Equestrian Center to continue its operations, due to the lack of a reliable and safe water supply, as determined by CCEH.
3. ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide*** – CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch. CCWD serves approximately 500,000 (61,085 water connections). The primary sources of water are the U.S. Bureau of Reclamation (USBR) Central Valley Water Project and delta diversions. One of CCWD's prerequisites for service, including annexation, is inclusion in the Central Valley Project (CVP) Service Area. The CVP inclusion review is a separate process, and requires specific environmental documents. CCWD indicates that it has adequate capacity to serve the Equestrian Center.
4. ***The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency*** – The Equestrian Center is located in the unincorporated Walnut Creek. CCWD serves surrounding areas. The subject area will benefit from services provided by CCWD.

5. *Nature, location, extent, functions & classes of services to be provided* – CCWD’s untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District’s treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch.

Castle Rock County Water District (CRCWD) – The CRCWD serves the neighboring area (79 parcels – 55 connections) and is a community of interest. The CRCWD is located entirely within CCWD’s service boundary and purchases its untreated (non-potable) water from CCWD, which it pumps from the Ygnacio Loop. There are 10 residential CRCWD customers who currently perform their own water treatment for domestic supply within their homes, forgoing CCWD treated water. To ensure domestic water supply to these 10 homes during CCWD’s annual winter maintenance shutdown of the Loop Canal, treated water is discharged into the Ygnacio Loop from CCWD’s treated water distribution system.

The 2014 LAFCO MSR prompted the two districts and affected property owners to discuss connecting to CCWD’s treated water system, due, in part, to the aging condition of the CRCWD infrastructure. Terms of an agreement and a financing plan have been developed based on discussions among the two districts and 10 affected property owners, and nine of the property owners have signed individual letters of intent to move forward with connecting to CCWD. At their board meeting on May 17, 2017, the CCWD board authorized treated water service agreements with the interested property owners. As of July 3rd, four of the property owners have also signed agreements with CCWD.

In addition, in April 2017, the two districts entered into a one-year maintenance agreement for CCWD to perform repairs on CRCWD’s distribution pipelines located in the public right-of-way. Both districts and their customers will benefit from these service and maintenance agreements.

Environmental Impact of the Proposal – CCWD, as Lead Agency, has determined that the proposed SOI amendment and corresponding annexation are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15303 and 15319, as the service extension would serve only the existing facility.

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 proposed expansion of CCWD’s SOI as depicted on the attached map (Attachment 1).
- A. Determine that the project is exempt pursuant to CEQA Guidelines, Sections 15303 and 15319.
 - B. Adopt this report and amend CCWD’s SOI described herein and shown on the attached map.

Option 2 Adopt this report and DENY the proposal.

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

RECOMMENDATION Option 1 – approve the SOI amendment.

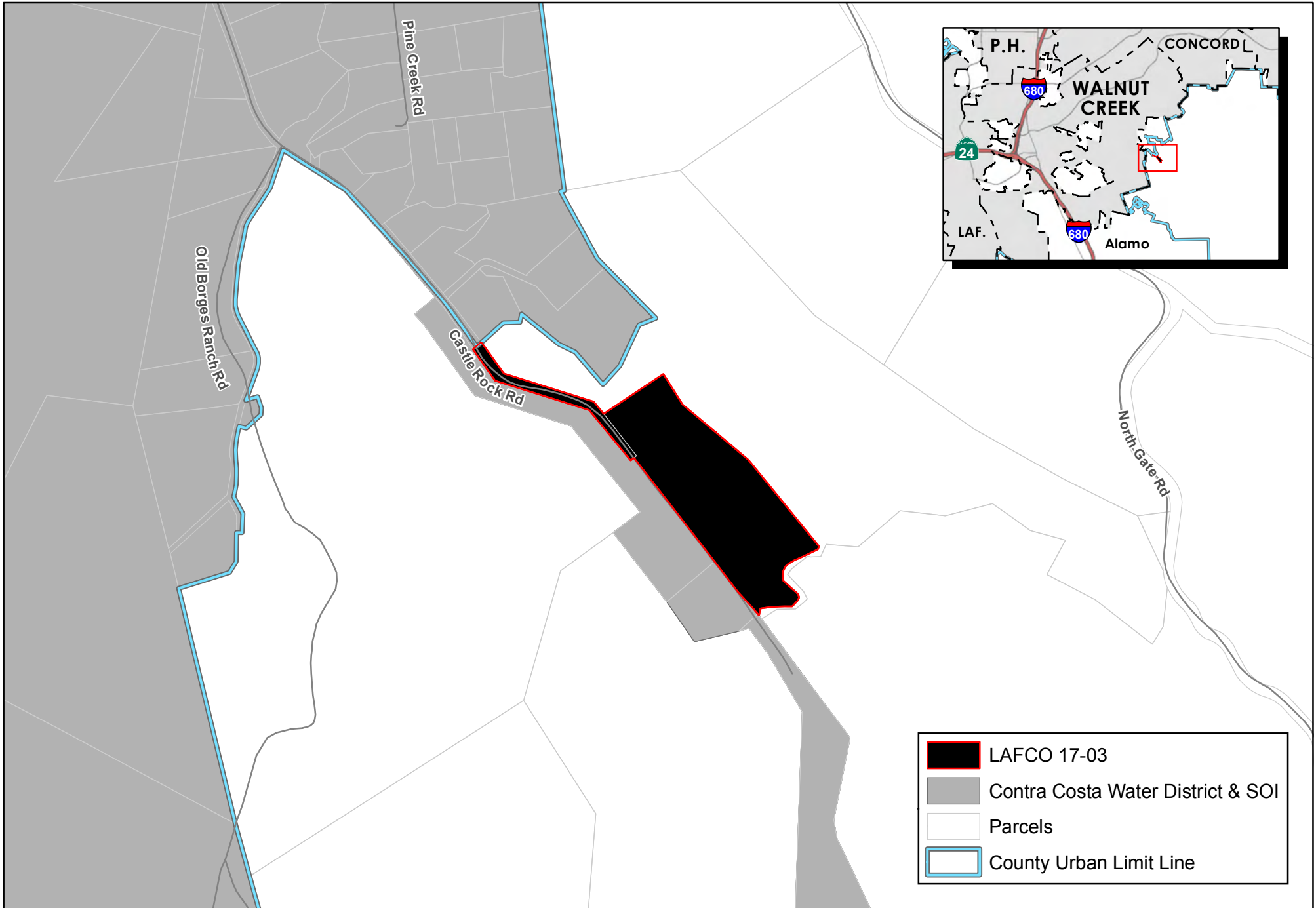
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachments

- 1 - Map – Proposed CCWD SOI Amendment
- 2 - Letter dated October 10, 2016 from Contra Costa Environmental Health
- 3 - Draft LAFCO Resolution – CCWD SOI Amendment

c: Mark Seedall, CCWD
Peter Paul, Landowner
Tom Fenara, Landowner
Kristen Decker, Landowner

LAFCO No.17-03 No. Peak Equestrian Center Amendment to CCWD SOI



William B. Walker, MD
Health Services Director

Randall L. Sawyer
Chief Environmental Health & HazMat Officer

Marilyn C. Underwood, PhD, REHS
Director of Environmental Health



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October 10, 2016

Mr. Jeff Quimby
 Director of Planning
 Contra Costa Water District
 1331 Concord Avenue
 Concord Ca. 94524

**Subject: Water Supply at the North Peak Equestrian Center
 1550 Castle Rock Road, Walnut Creek
 APN 138-270-002**

Dear Mr. Quimby:

The property owner of 1550 Castle Rock Road requested the support of Contra Costa Environmental Health (CCEH) in the evaluation of water supply alternatives for the subject property, including the continued use of groundwater and extension of the Contra Costa Water District (CCWD) water service line. The property is outside of the existing CCWD service area.

On June 28, 2016, CCEH conducted a survey of the subject property and water system and determined that the system supplies water to at least 25 individuals daily for at least 60 days out of the year, meeting the definition of a public water system as defined in section 116275 of the California Health and Safety Code.

Per the manager of the North Peak Equestrian Center, the on-site wells are no longer producing an adequate water supply. The current water supply is from a cistern located adjacent to the creek along the Northeast property line. The cistern is approximately 30 feet deep and there are several large holes in the metal plate covering the cistern which may allow surface contaminants to enter the water supply. The subsurface condition and construction details of the cistern are not known.

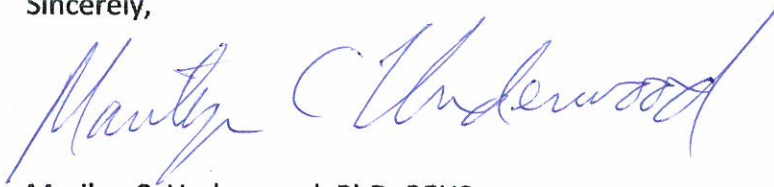
Section 116525 of the California Health and Safety Code requires a Water Supply Permit to operate a public water system, however, a permit application to operate a Public Water System would be denied when there is the potential to consolidate with an existing Public Water System.



Jeff Quimby
September 1, 2016
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Due to the lack of a reliable and safe water supply from the on-site wells or cistern, and the likely inability of CCEH to issue a Water Supply Permit to the property owner to operate a Public Water System, CCEH views water service from CCWD as the only available option that would resolve the water supply and water quality issues at the property. CCEH requests your support in resolving this matter, and requests completion of a safe water supply to the North Peak Equestrian Facility as soon as possible.

Sincerely,



Marilyn C. Underwood, PhD, REHS
Director of Environmental Health

MCU:cdm

cc: Lou Ann Texiera, Contra Costa County LAFCO

SPHERE OF INFLUENCE RESOLUTION NO. 17-03

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 MAKING DETERMINATIONS AND EXPANDING THE SPHERE OF INFLUENCE
 OF CONTRA COSTA WATER DISTRICT (NORTH PEAK EQUESTRIAN CENTER)

WHEREAS, a proposal to expand the sphere of influence (SOI) of Contra Costa Water District (CCWD) was filed with the Contra Costa Local Agency Formation Commission (LAFCO) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56425); 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 proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, SOIs and applicable General and Specific Plans and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference;

NOW, THEREFORE, the Contra Costa LAFCO DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The matter before the Commission is the proposed expansion of CWD's SOI to include Assessor Parcel Number 138-270-002 totaling 9.68± acres located at 1550 Castle Rock Road in the unincorporated Walnut Creek area.
2. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA); and in accordance with CEQA, finds the project is exempt pursuant to CEQA Guidelines, Section 15303 and 15319, consistent with the determination of CCWD acting as Lead Agency.
3. CCWD's SOI is hereby expanded to include the areas as shown on the attached map (Exhibit A).
4. CCWD's service is limited to serving the equestrian center.
5. The Commission has considered the criteria set forth in Government Code §56425 and determines as follows:

The present and planned uses in the area, including agricultural and open space lands.

The County General Plan designation for the subject property is Agricultural Lands; and the County zoning designation for the subject properties is General Agriculture (A-2). The proposed SOI amendment and pending annexation of the property will facilitate no changes in land use and will have no impact on agricultural land or open space lands.

The present and probable need for public facilities and services in the area.

The purpose of the SOI change is to allow for the extension of municipal water service to the property that houses an equestrian center. Contra Costa Environmental Health (CCEH) has determined that due to the lack of a reliable and safe water supply from the on-site wells or cistern, and the likely inability of CCEH to issue a Water Supply Permit to the property owner to operate a Public Water System, that municipal water is the only available option that will resolve the water supply and water quality issues at the property. The proposed SOI change will have no effect on public facilities or services.

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

Current public facilities are adequate for the existing uses. No new development or growth is anticipated due to the existing use, land use designations, and that the property is outside the Urban Limit Line.

The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The primary social or economic community of interest is Contra Costa County and CCWD. CCWD serves surrounding areas, and the SOI amendment reflects a logical adjustment to the District's SOI in conjunction with the existing services. The equestrian center will benefit from services provided by CCWD.

The nature, location, and extent of any functions or classes of services provided by the existing district.

CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch.

PASSED AND ADOPTED THIS 12th day of July 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 above

Dated: July 12, 2017

Lou Ann Texeira, Executive Officer