



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, July 12, 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.

JULY 12, 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 May 10, 2017 regular LAFCO meeting

SPHERE OF INFLUENCE/BOUNDARY CHANGES

6. ***LAFCO 17-03 – Contra Costa Water District Sphere of Influence (SOI) Amendment*** – consider proposal to amend the district’s SOI to include the North Peak Equestrian Center (9.68± acres) located at 1550 Castle Rock Road in the unincorporated Walnut Creek area and consider related actions under the California Environmental Quality Act (CEQA) ***Public Hearing***

BUSINESS ITEMS

7. ***Strategic Planning Session*** – review update on strategic planning session and provide direction
8. ***Special District Risk Management Authority (SDRMA) Board Election*** – consider voting for candidates for the 2018 SDRMA Board
9. ***Financial Audit*** – receive and file the FY 2015-16 financial audit
10. ***Proposed Amendments to LAFCO Employee Benefit Plan*** - consider approving amendments to the Employee Benefit Plan to add new health insurance options and delete catastrophic leave provisions
11. ***Legislative Report – Update and Position Letters*** – receive a legislative update
12. ***2016-2017 Contra Costa County Grand Jury Reports*** – informational item relating to recent Contra Costa County Grand Jury reports

CORRESPONDENCE

13. Correspondence from Contra Costa County Employees’ Retirement Association (CCCERA)

INFORMATIONAL ITEMS

14. Commissioner Comments and Announcements
15. Staff Announcements
 - CALAFCO Updates
 - Pending Projects
 - Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting – August 9, 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

May 10, 2017

Board of Supervisors Chambers
Martinez, CA

July 12, 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. 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 Rob Schroder and Don Tatzin.
Public Member Don Blubaugh and Alternate Sharon Burke.

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

4. Approval of the Agenda

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

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

5. Resolution Celebrating the Life and Honoring the Memory of John T. Knox

Chair Blubaugh presented a resolution honoring John T. Knox, the “father of LAFCO,” to his son, John M. Knox, and grandson, Alex Knox, both of whom shared personal stories of Mr. Knox, one of California’s more important legislators.

6. Public Comments

Commissioners wished Commissioner Glover a happy birthday.
There were no comments from the public.

7. Approval of March 8, 2017 Meeting Minutes

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

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

8. Reclamation District (RD) 2121 (Bixler Tract)

The Executive Officer provided background on this district, referencing a letter from the State Controller’s Office, classifying RD 2121 as an “inactive” district as part of the State’s efforts to clean up their records and eliminate inactive districts that do not follow the laws governing districts. Further, in 2015, following LAFCO’s 2nd round MSR, LAFCO adopted a

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zero SOI for RD 2121, signaling a future change of organization (i.e., dissolution or consolidation). This conclusion is consistent with the 2009 (1st round MSR) recommendation to dissolve the district. Both MSRs recommended various improvements for RD 2121, which have not been acted on.

Communication from the landowner following distribution of the staff report acknowledges that the district has no board, no finances, and has taken no efforts to improve governance. However, the district objects to being dissolved, noting the catastrophic year of precipitation, and that remaining a district is the only avenue available for a small business to improve levees.

Commissioners questioned what would change if RD 2121 were dissolved, given that it is their land and they are in fact going to protect it from flooding by maintaining their levees. The primary difference is that as a special district RD 2121 is eligible for state and federal funds, either as matching grants for major levee upgrades or in emergencies.

Commissioner McGill noted that in the past few years State legislators are paying more attention to special districts and LAFCOs and their efficacy. More legislation skirting LAFCOs is coming forward from legislators who are missing the full picture. Discussion ensued regarding what Commissioners can do to help legislators understand what LAFCOs can and cannot do, and at the same time, work harder with the districts in our county to ensure that they comply with state laws.

Commissioners returned to discussion of the status of RD 2121, suggesting that perhaps the landowners simply have not been pushed hard enough. Staff suggested that an approach similar to that taken with Castle Rock County Water District, whereby LAFCO requested a progress report in six months, might have some results.

The Executive Officer noted that this will also give LAFCO time to see what happens with SB 448, proposed legislation that would provide a streamlined process for dissolving inactive districts. Current law requires at least one public hearing and a protest hearing if necessary.

Upon motion of Tatzin, second by Andersen, the Commission directed staff to send a detailed letter to the landowners of RD 2121, outlining the actions expected from the district and setting a reporting deadline of October 1. The Commission will then consider next steps following the response.

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

9. LAFCO Strategic Planning Workshop

The Executive Officer noted that the FY 2017-18 work plan includes conducting a strategic planning session. Previous strategic planning sessions in 2011 and 2013 provided a valuable opportunity for Commissioners and staff to explore LAFCO's mission and priorities.

Commissioner Blubaugh favored going over the status of MSRs. Commissioner Tatzin suggested evaluating LAFCO's success in those items that have been prioritized in past workshops, staffing/location and budgeting, and wondered if there were any legislative initiatives needing direct action from this LAFCO. Commissioner McGill applauded the idea of spending time on this sort of exercise, and suggested that this LAFCO consider what is going on in Sacramento while compiling ideas for a strategic planning session.

Commissioner McGill also suggested that the multipurpose room of Central Contra Costa Sanitary District could be made available for this session; he also can probably secure the use of one of the meeting rooms at John F. Kennedy University in Pleasant Hill.

Following discussion of priorities, Commissioners addressed the issue of whether or not to have a facilitator, and a convenient date for the workshop. September was deemed the preferred month, with October as a second choice—using the regular LAFCO meeting date for the workshop.

Regarding the use of a facilitator, Commissioners agreed that they would prefer that Chair Blubaugh serve as the facilitator for the workshop.

10. Fiscal Year 2017-18 Final Budget and Work Plan

The Executive Officer presented the final budget for Fiscal Year 2017-18, which is comparable to the proposed budget presented in March, with the addition of \$30,000 to begin paying down the CCCERA liability. The final budget reflects an overall increase of 5.45%, which is primarily attributable to the addition of the CCCERA fund.

Brief discussion ensued regarding the comparable costs of relocating LAFCO to the new government center when it is built or to 40 Muir Road, which is scheduled to take place in early 2018. Staff responded that the 40 Muir Road location will allow for an earlier hiring of an additional staff member. Additionally, in response to other questions, Commission monthly meetings can be held either in the Zoning Authority Hearing Room at 30 Muir Road, or in the Board of Supervisors Chamber at 651 Pine Street or in the new government center once built.

Chair Blubaugh opened the public hearing - there were no speakers. The public hearing was closed and discussion returned to the Commissioners.

Upon motion of Tatzin, second by McGill, Commissioners, by a 7-0 unanimous vote, approved the final budget for FY 2017-18 as presented, and directed staff to distribute the final budget to the County, cities, and special districts.

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

11. Award Contract - Healthcare Services Municipal Services Review/SOI Updates

The Executive Officer reported that three consulting groups (Berkson Associates/The Abaris Group, Harvey M. Rose Associates, and RSG) had submitted proposals for the 2nd round Healthcare Services MSR. Interviews were held by a screening committee of LAFCO professionals, who agreed that all of the consultants were well qualified to take on the project. However, the screening committee believes that Berkson Associates/The Abaris Group offers several advantages, in that Berkson Associates has prepared special studies on two of the three healthcare districts in Contra Costa County and worked on the 2nd round EMS/fire services MSR last year. Also, the Abaris Group is a Martinez-based firm that has worked extensively with Contra Costa County and on LAFCO's inaugural healthcare MSR.

Upon motion of McGill, second by Skaredoff, Commissioners unanimously, by a 7-0 vote, authorized staff to execute a contract with Berkson Associates/The Abaris Group to prepare

the 2nd round healthcare services MSR/SOI updates for the term June 1, 2017 through January 31, 2018 in an amount not to exceed \$50,750.

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

12. FY 2016-17 Third Quarter Budget Report

The Executive Officer reported that expenditures to date for the first three quarters of this fiscal year are approximately 53% of total appropriations. Application revenue is slightly below that of FY 2015-16; during the first nine months of FY 2015-16, LAFCO received five new applications, whereas four new applications have been received in the first nine months of FY 2016-17.

Upon motion of Glover, second by Schroder, Commissioners unanimously, by a 7-0 vote, received the FY 2016-17 third quarter fiscal report.

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

13. Legislative Report - Update and Position Letters

The Executive Officer reported on the three bills (AB 1725, AB 464, AB 979) that CALAFCO is sponsoring this session and noted the letters sent by this LAFCO in support of the bills. CALAFCO is also tracking a number of bills which have direct and indirect impact on LAFCOs.

Upon motion of Tatzin, second by Glover, Commissioners unanimously, by a 7-0 vote, received the legislative report.

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

14. Contract Extension - Lamphier-Gregory

The Executive Officer presented an extension to the current contract with Lamphier-Gregory for environmental planning services. The one-year extension includes minor increases to the hourly rates (average 6%), and the addition of \$20,000 to the original contract amount. The last rate adjustment occurred in 2013-14. Adequate funds are included in the FY 2017-18 budget.

Upon motion of Glover, second by Andersen, Commissioners unanimously, by a 7-0 vote, authorized staff to execute a one-year contract extension with Lamphier-Gregory extending the term of the contract through June 30, 2018; approving the increase of hourly rates; and adding \$20,000 to the contract amount.

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

15. Plan Bay Area 2040 Update

The Executive Officer informed Commissioners that Plan Bay Area 2040, recently released, updates the initial Plan Bay Area 2013. In conjunction with the release of the plan, a Draft EIR was released. Several of the Bay Area LAFCOs, including Contra Costa, are working on a joint comment letter to be submitted to ABAG and MTC prior to the June 1st deadline. A copy of the letter will be provided to the Commission.

16. Correspondence – CALAFCO and CCCERA

There were no comments regarding correspondence.

17. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Legislative Committee meetings on March 24 and May 12, as well as the CALAFCO Board meeting on May 5.

Commissioner McGill commented on an op-ed piece by Oakley Councilmember Kevin Romick; he asked for clarification on the process to be followed in order for the cities of Oakley and Brentwood to provide fire protection services to their own residents.

18. Staff Announcements

The Executive Officer drew Commissioners' attention to the letter from CALAFCO thanking Commissioner Tatzin for his participation in the State Assembly Local Government Committee's oversight hearing on healthcare districts and LAFCOs.

The Executive Officer thanked the Commissioners for the opportunity to attend the 2017 CALAFCO Staff Workshop held in April in Fresno.

The Executive Officer also reported that with no actionable items scheduled for June, the June LAFCO meeting will be cancelled.

The meeting adjourned at 2:39 p.m.

Final Minutes Approved by the Commission July 12, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

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.

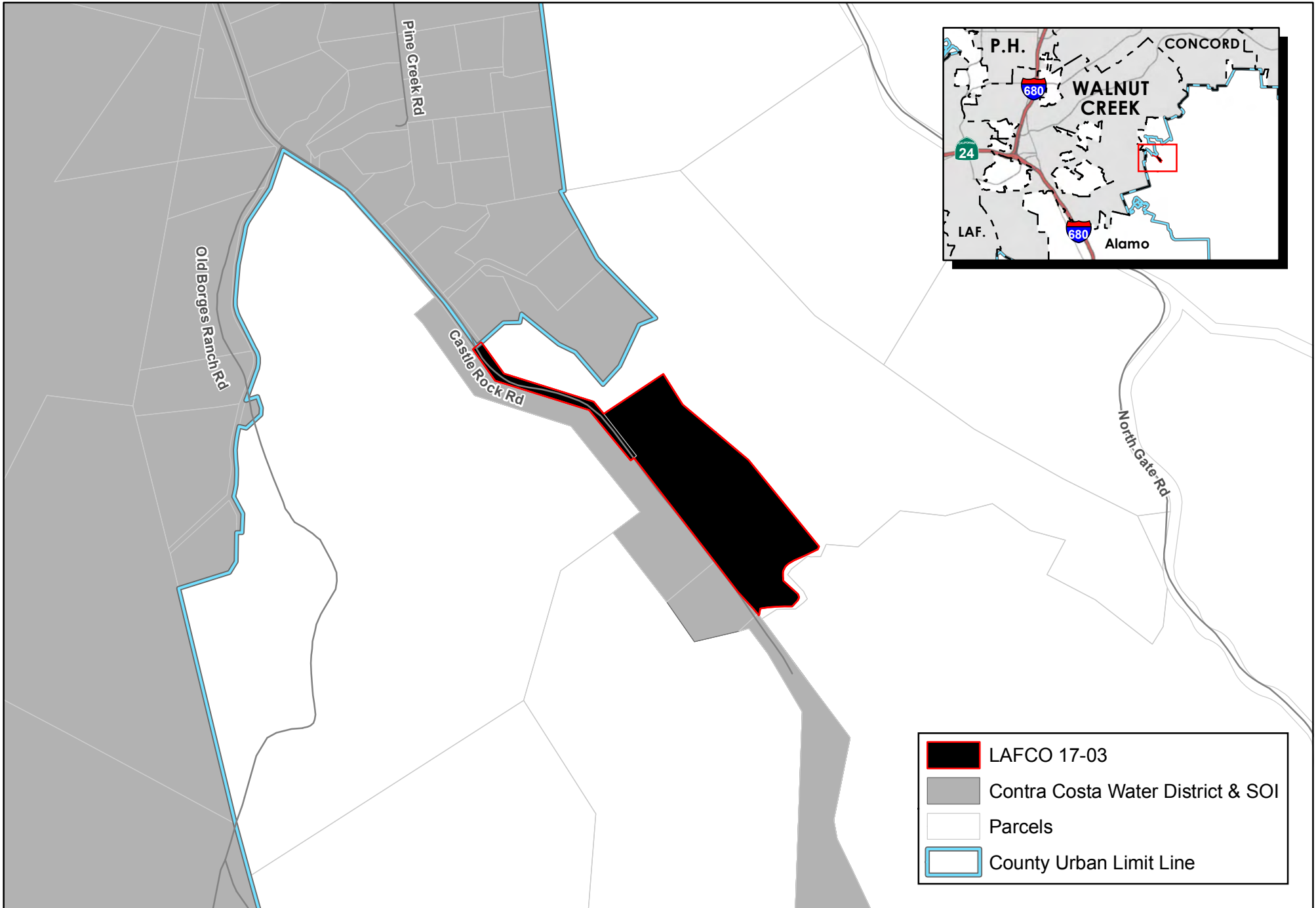
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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



**Contra Costa
 Environmental Health**

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www.cchealth.org/eh/

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.

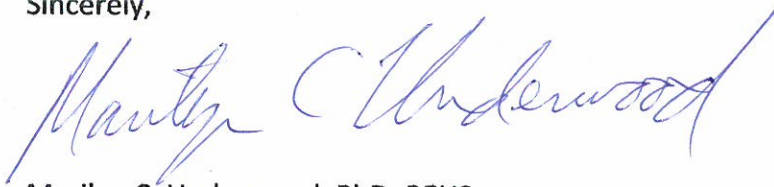
Section 116525 of the California Health and Safety Code requires a Water Supply Permit to operate a public water system, however, a permit application to operate a Public Water System would be denied when there is the potential to consolidate with an existing Public Water System.



Jeff Quimby
September 1, 2016
Page 2 of 2

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



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>

July 12, 2017

July 12, 2017
 Agenda Item 7

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

LAFCO Strategic Planning Session

DISCUSSION

The FY 2017-18 work plan includes hosting a LAFCO strategic planning session. At the May 10, 2017 LAFCO meeting, the Commission discussed the strategic workshop and suggested holding the session in either September or October. Also, the Commission agreed that an outside facilitator was unnecessary, and that Chair Blubaugh, with his previous facilitator experience, could guide the LAFCO strategic workshop.

The Commission also discussed preliminary workshop topics, including the following:

- Status of Municipal Service Reviews (MSRs)
- LAFCO’s success in meeting priorities identified in prior strategic sessions and in LAFCO’s work plan
- Current LAFCO work plan including policy updates/development, growing Contra Costa LAFCO
- Current activities in Sacramento effecting LAFCOs, and legislative initiatives needing action from Contra Costa LAFCO

Also, Commissioner McGill suggested we contact the Central Contra Costa Sanitary District (CCCSD) regarding the possible use of the District’s community room for the workshop. CCCSD staff indicates that the room is available from 11:00 am, and there is no cost to LAFCO.

Based on the Commission’s suggestions, Chair Blubaugh and LAFCO staff discussed workshop format, logistics, and topics. We suggest holding the workshop on Wednesday, September 13 either in conjunction with or in place of the regular LAFCO meeting, and at the CCCSD community room, located at 5019 Imhoff place in Martinez.

We also offer the following draft workshop agenda:

11:00 am – Welcome (Chair Blubaugh)

11:15 am – Overview of LAFCO’s Activities & Work Plan (LAFCO staff)

11:30 am – Policy Committee Update (Commissioners Burke & Tatzin)

12:00 pm – Lunch

12:45 pm – Municipal Services Reviews (Chair Blubaugh, LAFCO staff)

1:30 pm – State Issues (Commissioner McGill, LAFCO staff)

Should the Commission need to take up any “regular” LAFCO matters, we will place these items at the beginning of the meeting and adjust the schedule accordingly.

RECOMMENDATIONS

Provide input and direction to staff regarding a LAFCO strategic planning session (i.e., format, topics, logistics, etc.) and other matters as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER



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>

July 12, 2017
 Agenda Item 8

July 12, 2017 (Agenda)

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

Special District Risk Management Authority (SDRMA) Board Election

Dear Commissioners:

This is a report from the LAFCO ad hoc subcommittee appointed by the Commission to screen and recommend candidates for the SDRMA Board of Directors.

Contra Costa LAFCO is a member of SDRMA and purchases its workers’ compensation and property/liability insurance through the Authority. In February, LAFCO received the SDRMA election packet with information regarding the board election process. The SDRMA requests action by LAFCO to select up to four candidates for the SDRMA Board of Directors; **ballots must be cast by August 29, 2017.**

In March, the Commission appointed an ad hoc subcommittee (Chair Blubaugh and Vice Chair McGill) to review the candidates and report back to the Commission with its recommendations. The subcommittee reviewed the written qualifications (Attachment 1) and considered various selection criteria such as geographic diversity, special district experience, risk management experience, qualifications as agency staff member or agency Board member, elected office experience, LAFCO knowledge and experience, and agency diversity (e.g., large vs. small district, etc.).

Based on a review of written materials, phone interviews, and criteria used, the subcommittee recommends that Contra Costa LAFCO cast its votes for the following four candidates:

- Michael Scheafer (I), Director/President, Costa Mesa Sanitary District
- Timothy Unruh, District Manager, Kern County Cemetery District No. 1
- Jean Bracy (I), Deputy Director – Administration, Mojave Desert Air Quality Management District
- David Aranda, (I), General Manager, Mountain Meadows Community Services District

Recommendations:

1. It is recommended that the Commission cast its vote pursuant to the subcommittee's recommendations, adopt Resolution No. 2017-02 containing the Official 2017 SDRMA Election Ballot (Attachment 2), and direct staff to file the LAFCO resolution with SDRMA prior to August 29, 2015; or
2. Provide other direction as desired.

Respectfully submitted,

Don Blubaugh and Mike McGill

Attachment 1 – Candidate Statements

Attachment 2 – LAFCO Resolution 2017-02 Containing Official 2017 SDRMA Election Ballot



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2017 BOARD OF DIRECTORS ELECTION

OFFICIAL ELECTION RESOLUTION AND BALLOT ENCLOSED

This is an official election packet that contains items that require ACTION by your Agency's governing body for the selection of up to four (4) candidates to the SDRMA Board of Directors.

ELECTION PACKET ENCLOSURES

- Election Ballot Instructions
- Official Resolution and Ballot (Action Required)
- Candidate's Statements of Qualifications (7)
- Self-addressed, Stamped Envelope

SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for four (4) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in February 2017.

On May 11, 2017, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2017-03 Establishing Guidelines for Director Elections. The Election Committee confirmed that seven (7) candidates met the qualification requirements and those names are included on the Official Election Resolution Ballot.

Enclosed is the Official Election Resolution Ballot along with a Statement of Qualifications as submitted by each candidate. Election instructions are as follows:

1. The enclosed combined Official Election Resolution Ballot must be used to ensure the integrity of the balloting process.
2. After selecting up to four (4) candidates, your agency's governing body must approve the enclosed Official Election Resolution Ballot. **Ballots containing more than four (4) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Resolution Ballot **MUST** be sealed and received **by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Tuesday, August 29, 2017 to the address below.** Faxes or electronic transmissions are NOT acceptable. A self-addressed, stamped envelope is enclosed.

Special District Risk Management Authority
Election Committee
1112 "I" Street, Suite 300
Sacramento, California 95814

5. The four-year terms for newly elected Directors will begin on January 1, 2018 and terminate on December 31, 2021.
6. Important balloting and election dates are:

August 29, 2017 - Deadline for members to return the signed Official Election Resolution Ballot

August 30, 2017 - Ballots are opened and counted

August 31, 2017 - Election results are announced and candidates notified

September 27, 2017 - Newly elected Directors are introduced at the SDRMA Annual Breakfast to be held in Monterey at the CSDA Annual Conference

November 1-2, 2017 - Newly elected Directors are invited to attend SDRMA board meeting (Sacramento)

January 2018 - Newly elected Directors are seated and Board officer elections are held

Please do not hesitate to call SDRMA's Chief Operating Officer Paul Frydendal at 800.537.7790 if you have any questions regarding the election and balloting process.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Timothy Unruh
District/Agency Kern County Cemetery District No.1
Work Address 18662 Santa Fe Way, PO Box 354, Shafter, CA 93263
Work Phone 661-746-3921 Home Phone 661-746-6725

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

The work of SDRMA is critical to the everyday operations of a Special District. Knowing that the district and the board is protected gives a 'Peace of Mind' to our daily operations. Sitting on this Board will give me an opportunity to give back to SDRMA and its membership. As a manager of a moderate sized Special District, I am especially interested in maintaining an involvement from that small district perspective. It is imperative that SDRMA maintains cost effective service to the Special District community and it's important that smaller districts have a voice in their insurance needs.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I spent three years as a Director for CSDA including one year as Legislation Committee Chairman. I currently sit on the CSDA Legislation Committee and am a Special District Administrator (SDA). Our District is in its fourth term as a District of Distinction which now includes the Transparency Certification. I currently sit as a Director with a city appointment on Kern Mosquito and Vector board. I have been a Director of the California Association of Public Cemeteries for 15 years and currently am Chairman of the Legislation Committee. I have been involved with the Kern County Special Districts Association since 1995 from when we worked to obtain LAFCo representation for Special Districts.

Most importantly, I have been a manager for the Kern County Cemetery District for 30 years and work daily to keep our cemetery district strong and effective in our community. To that end, I have the SDRMA General Safety Specialist Certification and with that training I work for a compliant, safe and healthy working relationship with our staff.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I feel that community history is very important and am a volunteer with the local Historical Society. I also have sat on the local school board and have been involved with our youth through our church as well as our community through sports and especially by giving our young people a safe and entertaining place to visit after our home football games.

This being said, I feel that I am a committed and thorough person who knows that to get things done you must be involved and be able to think out of the box in difficult situations. You must listen to those around you and sometimes that means keeping one's mouth shut.

I have worked as a Manager for many years and understand the needs of special districts. What SDRMA offers is an integral part of special district operations and I feel that I can bring a passion for the practical needs of Special Districts.

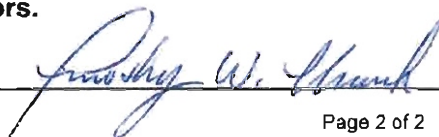
What is your overall vision for SDRMA? (Response Required)

SDRMA has shown great concern for the Special Districts in California as is seen in their commitment to meeting our insurance needs. This is done by listening to the membership and continuing to work on being a better and complete insurance stop. I feel that the Health Insurance part of their programs will be the next large growth area. As we deal with PERB's and the needs of our work force, this area will help to meet the needs of our agencies.

Their education is excellent and they have defined their role in local government very well. It will be necessary to maintain this role and work to educate the membership. SDRMA's commitment to be a cost-effective insurance provider has work well in the past and will continue to do so as long as the Board and staff work together to fulfill their mission statement.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date: April 24, 2017

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate James M. Hamlin (Jim)
District/Agency Burney Water & Sewer District
Work Address 20541 Burney Court, Burney, Ca. 96013
Work Phone (530) 335-2040 Home Phone (530) 335-2040

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

Able to look at actuarial evidence. Being able to set adequate rates for both
Insurance program and districts. SDRMA needs to operate as a business.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Served on hospital district for 24 1/2 years, California Hospital District board
for 8 years, Burney water Sewer board for three years. I had my own insurance
brokerage for 43 years. I did not have an E & O Claim.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)

see previous question

What is your overall vision for SDRMA? **(Response Required)**

SDRMA must operate as a viable business. Many district carriers and board members are reluctant to raise rates. When I served on Ca. Hospital Board, many of the board members were not willing to operate as a business because it would affect their hospitals bottom line.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature James M. Hamlin Date 4-1-2017

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate **MIKE SCHEAFER**
District/Agency **COSTA MESA SANITARY DISTRICT**
Work Address **1551-B BAKER ST, COSTA MESA, CA 92626**
Work Phone **714-435-0300** Home Phone **714-552-9858**

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As an incumbent on the SDRMA Board I wish to continue providing the service and knowledge that I have been consistent with during my current term. As an insurance professional for over 44 years I bring the experience needed to manage the risks Districts are faced with. Over my term I have consistently made decisions to provide the protections necessary at the most affordable cost. Districts continue to encounter new challenges to their risk management programs. My years of experience, my continued involvement in insurance education and my desire to protect make me a sound choice to continue on the Board of SDRMA.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Current SDRMA Board Member. President Costa Mesa Sanitary District Board of Directors. Former City Councilmember for the City of Costa Mesa. Former Parks and Recreation Commissioner for the City of Costa Mesa.

Leadership positions, including Board President for the following: Little League Baseball, Boys and Girls Club of the Harbor Area, Costa Mesa Senior Center, The Albert Dixon Memorial Foundation (non profit providing funds for other non-profit agencies).

Over 30 years experience with Lions Clubs International. Served as District Governor, Club President several times. Chaired the California Convention Committee several times. Membership in the organization continues.

My leadership role in all these organizations gave, and give, me experience in the risks that face each. My insurance experience helps me make prudent decisions when challenged with those risks.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Many of the organizations that I have either been elected to or volunteered for quickly put me in a leadership role. They recognized my ability to handle the risks and challenges the organizations meet. I was able to steer those organizations in a clear path to minimize the risk.

I continue to hold a teaching credential in Insurance Education with the local community college District. Additionally I was a professor of Insurance Continuing Education for many years. I have a passion for passing on the knowledge I have acquired over my career.

I have always faced the risk management challenges of any organization with the confidence that the desired outcomes would be realized. +

What is your overall vision for SDRMA? (Response Required)

My vision is to continue providing the protection and service to the Special Districts that make them strong in their risk management efforts. I will continue to work for those ends while keeping strong my conviction that rates need to be adequate yet affordable for the Districts.

New technologies, changes in legislation, make it extremely difficult for Districts to keep up with the factors posing new challenges to risk management, insurance, etc. My experience in those areas, my position as an elected official, make me keenly aware of how to protect the Districts.

I will continue to be committed to making SDRMA the leader in protecting the risk management needs of our Special Districts.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

4/25/17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Michael J. Karen
District/Agency Apple Valley Fire Board
Work Address N/A
Work Phone N/A Home Phone 760-713-3273

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I would be honored to serve on the SDRMA Board of Directors because I am interested in not only risk management, but insurance as well. I have run my own company and have seen first hand how accidents can affect the bottom line.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I was appointed to the Apple Valley Fire Board in February of 2016. I was re-elected the same year. During my time on the board, I have already been a part of many great things. The board and I helped to pass Measure A which funds our district in perpetuity. We also passed and have streamlined the budget. I have also been a part of evaluations as well.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

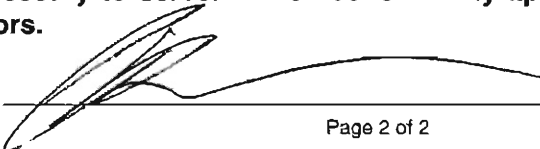
**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I have been a business owner, and I am a Veteran of Desert Strike/Desert Storm. I am a member of the Apple Valley Chamber of Commerce, Victor Valley Republican, and the Community Emergency Response Team (CERT). I am an elected member of the Republican Central Committee as well as a Director for the Apple Valley Fire District. I have donated my time to seniors, the needy, and Salvation Army. I was also a Man About Town nominee for the High Desert Phoenix Foundation.

What is your overall vision for SDRMA? (Response Required)

As a Director, I would work to promote education in the districts. I would also build coalitions to keep the rates competitive. I hope to work with the board on any and all issues facing all of our districts. I would love to be elected to such a distinguished team!

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4-20-17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Nominee/Candidate David Aranda
District/Agency Mountain Meadows Community Services District
Work Address 17980 Highline Rd - Tehachapi CA 93561
Work Phone 661-822-7616 Home Phone 661-300-1231

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

Working with six other board members and the staff, as a team is challenging and rewarding.

Over the years of my service on the SDRMA Board I hope the members have found my input to be beneficial and it is my desire to continue to look after the members receiving the best service at a fair cost.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Service on SDRMA
Service on SOWCA - I was part of the group that consolidate two entities into one entity which was very cost effective.
Service on SDLF
Past Service on CSDA - current Education Committee member

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

(Response Required)

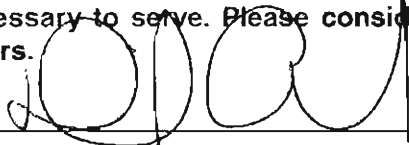
Serving as a General MANAGER over the past twenty plus years and serving as a Board Member ASISTS me in understanding the proper process that benefits the operation of SDRMA
Eighteen years of experience with SDRMA provides a good knowledge base to benefit the members

What is your overall vision for SDRMA? **(Response Required)**

- 1) Continue to provide excellent service
- 2) Continue the balance of a financially strong pool that provides great policy coverage at the best pricing possible.
- 3) Serve the members with cutting edge software customer service oriented employees and a Board that remembers who we are serving.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-20-17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Cindi Beaudet
District/Agency Temecula Public Cemetery District
Work Address 41911 C Street, Temecula CA 92592
Work Phone (951)699-1630 Home Phone (951)541-8736

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As a member of SDRMA, I've learned first hand the risk and challenges that comes with my type of Special District. I think it is important to have an active and knowledgeable voice representing our industry and districts and that understands the role special districts play and their importance. I will bring sound policy principles to the table and work with my fellow board members in the spirit of collaboration to ensure SDRMA continues to be a cost effective, high quality risk management service.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have played an active role in the cemetery industry in both the private sector and with special districts for almost two decades and was elected in 2006 to the Board of California Association of Public Cemeteries (CAPC). While on the Board for CAPC one of my roles was Education Committee Chair, working with executive staff to identify learning and certification opportunities for our members. This experience has provided me with the skills and knowledge of board development, procedures, protocol and policy development.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

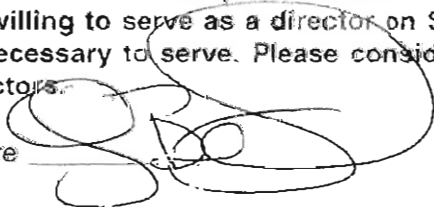
Since 2004 I have served as General Manager to the Temecula Public Cemetery District. I consider myself to be well versed in cemetery leadership, risk mitigation, best management practices and risk reduction. I hold a life insurance license from the State of California. I am an advocate for the cemetery profession, serving as a formal mentor for CAPC. I am engaged and involved heavily in my community and understand first hand the challenges and risk associated with cemetery operations and management.

What is your overall vision for SDRMA? (Response Required)

My overall vision for SDRMA is that it appropriately and accurately addresses the risk and mitigation needs of all its members in a thoughtful and deliberate manner; considering the size, scope and nuances of each type of public agency. This thoughtful consideration will provide better service to our members while maintaining the cost effective quality programs SDRMA continues to offer.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4/27/17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Jean Bracy, SDA
District/Agency Mojave Desert Air Quality Management District
Work Address 14306 Park Ave., Victorville, CA 92392
Work Phone 760-245-1661

Why do you want to serve on the SDRMA Board of Directors?

I have served on the SDRMA Board of Directors since 2010. In 2017 I was elected by the Board to be the **Board President**. The Board strives to provide a variety of avenues for members to be successful and has adopted many important programs and policies aimed to provide members **cost effective coverage**. Each year, the Board **carefully considered** rates for services and from 2009 to 2016 voted to hold rates flat for the property/liability program. Through strategic planning SDRMA has a **strong financial base**. SDRMA has included **Cyber Coverage**; provided a **FREE Law Legal Hotline**; established a **multiple-policy discount (5%)** for each member who belongs to both the property/liability and the workers compensation programs; shares investment earnings with members through a **longevity distribution**; established the **loss prevention allowance funds** which reimburses members for safety-related costs up to \$1,000; launched and enhanced the SDRMA **interactive website**; provided **FREE online training** through Target Solutions; launched a **Safety Specialist Certificate** program; and contracted with Company Nurse to provide **FREE screening services** for work-related injury cases. I have worked closely with **SDRMA for 17 years**. I am attracted to its member-focused, pro-active, and positive mission. I would like to see – and be a part of – SDRMA continue this member-centric approach.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I am serving my eighth year on the **SDRMA Board of Directors** and in 2017 I am the Board President. I am serving my fifth year on the Board of Directors for the **Special District Leadership Foundation (SDLF)** and I am the Board Secretary. On this Board I have been part of the continuing expansion of the SDLF programs, including the premier program, **District of Distinction**, also the Special District Administrator Certificate, the Recognition of Special District Governance, and the District Transparency Certificate of Excellence.

My career experience with special districts has helped me to understand the issues specific to smaller organizations. I have learned what it really means for an organization to do more with less. I have also learned that political realities for special districts are distinct from other forms of governments. As the Deputy Director – Administration for the Mojave Desert Air Quality Management District, I am the staff representative to the Governing Board Committees for Budget and Personnel. I am a member of and have chaired the California Air Pollution Control Officers Association (CAPCOA), statewide committees for Fiscal and Human Resource officers. I organized and have chaired the Alternate Fuel Task Force for the Mojave Desert air basin; I have represented the District in the Antelope Valley Clean Cities Coalition.

My working opportunities have crossed several public service types. I served as the Victorville city representative to the Technical Advisory Committee for the Victor Valley Transit Authority and as the City representative and officer on the Executive Committee of the Regional Economic Development Authority. I volunteered four years on the Board of Directors of the Victor Valley Federal Credit Union. For six years, I worked as an adjunct professor at Victor Valley Community College teaching Public Works Administration.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

As professional and as a volunteer, I have a wide range of experiences with organizational structures, long term and vision planning, development of staff and volunteers, and resource and program management. My experience of leading organizational activities and implementing change for growth includes bringing together intergenerational and multicultural groups to achieve common goals.

I am an effective manager with expertise in efficient and productive management implementing process improvements in finance, human resources, risk management, and a wide variety of related administrative and organizational functions. I have led highly skilled teams to support the achievement of overall agency goals and objectives.

I earned a Master's Degree in Public Administration from California State University, San Bernardino

I earned the Special District Administrator Certification from the Special Districts Leadership Foundation

I earned the Recognition of Special District Governance from the Special Districts Leadership Foundation

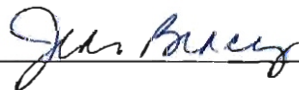
I earned the Masters Certification in Labor Relations from the California Public Employers Labor Relations Association (CALPELRA)

What is your overall vision for SDRMA?

I want to continue contributing my experience and expertise to SDRMA's overall function to further strengthen and enhance the lines of services provided by SDRMA. I want to see members educated to be wise in their management to reduce costs and deliver their very important missions to their communities. I want to be part of the mission to enhance the member's experience through claims management and education that leads to loss prevention.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

2-27-17

RESOLUTION NO. 2017-02

**A RESOLUTION OF THE GOVERNING BODY OF THE
Contra Costa Local Agency Formation Commission
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

WHEREAS, 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, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2017-03 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2017-03 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Contra Costa Local Agency Formation Commission selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



**OFFICIAL 2017 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS**

VOTE FOR ONLY FOUR (4) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than four (4) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than four (4) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 4:30 p.m., Tuesday, August 29, 2017. Faxes or electronic transmissions are NOT acceptable.

- TIMOTHY UNRUH**
District Manager, Kern County Cemetery District No. 1
- JAMES M. HAMLIN (Jim)**
Board Director, Burney Water District
- MIKE SCHEAFER (INCUMBENT)**
Director/President, Costa Mesa Sanitary District
- MICHAEL J. KAREN**
Board Director, Apple Valley Fire Protection District
- DAVID ARANDA (INCUMBENT)**
General Manager, Mountain Meadows Community Services District
- CINDI BEAUDET**
General Manager, Temecula Public Cemetery District
- JEAN BRACY, SDA (INCUMBENT)**
Deputy Director – Administration, Mojave Desert Air Quality Management District

ADOPTED this ____ day of _____, 2017 by the Contra Costa Local Agency Formation Commission by the following roll call votes listed by name:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

APPROVED:



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>

July 12, 2017 (Agenda)

July 12, 2017
 Agenda Item 9

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

Financial Audit for Fiscal Year 2015-16

Dear Members of the Commission:

Each year, LAFCO conducts an audit of the LAFCO finances. The independent auditing firm of R.J. Ricciardi, Inc. prepared the LAFCO financial audit for FY 2015-16. Per the Commission’s request, the auditing firm periodically rotates staff auditors assigned to the LAFCO audit, and a different auditor prepares the LAFCO audit each year.

The audit was conducted in accordance with the generally accepted auditing standards as specified in the report. The auditors found LAFCO’s financial statements fairly represent LAFCO’s financial position in all material respects; are in conformance with generally accepted accounting principles; and are free of misstatements. Further, the auditors found that *the economic condition of LAFCO as it appears on the Statement of Net Position reflects financial stability and the potential for organizational growth.*

We extend special thanks to the County Auditor-Controller’s Office staff, especially Laura Garvey, and LAFCO Executive Assistant Kate Sibley for their work on the annual audit.

Recommendation- It is recommended that the Commission receive and file the audit report for the fiscal year ending June 30, 2016 (attached).

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

Enclosure – FY 2015-16 Financial Audit

c: R.J. Ricciardi, Inc. CPAs
 Bob Campbell, County Auditor’s Office

June 26, 2017

Commissioners
Contra Costa Local Agency Formation Commission
Martinez, California

We have audited the financial statements of the governmental activities and the major fund of Contra Costa Local Agency Formation Commission (LAFCO) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 7, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by LAFCO are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by LAFCO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 22, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to LAFCO’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as LAFCO’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Commissioners and management of Contra Costa Local Agency Formation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MARTINEZ, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

Commissioners
Contra Costa Local Agency Formation Commission
Martinez, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Contra Costa Local Agency Formation Commission (CCLAFCO), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Contra Costa Local Agency Formation Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Contra Costa Local Agency Formation Commission as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6), budgetary comparison information (page 21) and other Required Supplementary Information (pages 22-24) related tables be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
June 26, 2017

Contra Costa Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

This section of Contra Costa Local Agency Formation Commission's (CCLAFCO's) basic financial statements presents management's overview and analysis of the financial activities of the agency for the fiscal year ended June 30, 2016. We encourage the reader to consider the information presented here in conjunction with the basic financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to CCLAFCO's audited financial statements, which are composed of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used, which best represents the activities of CCLAFCO.

The required financial statements include the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Net Position.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of CCLAFCO.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of CCLAFCO's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of CCLAFCO's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of CCLAFCO as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of CCLAFCO's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of CCLAFCO's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of CCLAFCO's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report CCLAFCO's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of CCLAFCO's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of CCLAFCO and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of CCLAFCO as a whole.

The Statement of Net Position and the Statement of Activities present information about the following: *Governmental Activities* – CCLAFCO's basic services are considered to be governmental activities. These services are supported by specific general revenues from local agencies.

Contra Costa Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2016

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of CCLAFCO's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of CCLAFCO for the year, and may change from year-to-year as a result of changes in the pattern of CCLAFCO's activities.

In CCLAFCO's case, there is only one Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Analyses of Major Funds

Governmental Funds

General Fund actual revenues increased this fiscal year compared to the prior year by \$77,361 due to an increase in the CCLAFCO budget and a corresponding increase in agency contributions. Actual revenues were greater than budgeted amounts by \$36,446 due primarily to an increase in application activity and corresponding applications fees.

General Fund actual expenditures were \$723,767, an increase of \$117,497 from the prior year primarily due to cost of living adjustments. Expenditures were \$30,037 more than budgeted due primarily to more legal expenses and more Municipal Service Review activity.

Governmental Activities

Table 1
Governmental Net Position

	2016 Governmental Activities	2015 Governmental Activities
Current assets	\$ 353,662	\$ 368,379
Total assets	353,662	368,379
Deferred outflows of resources (Note 7B)	203,760	109,299
Current liabilities	70,136	61,262
Noncurrent liabilities	482,876	455,639
Total liabilities	553,012	516,901
Deferred inflows of resources (Note 7B)	68,297	47,092
Net position:		
Unrestricted	(63,887)	(86,315)
Total net position	\$ (63,887)	\$ (86,315)

Contra Costa Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2016

CCLAFCO's governmental net position amounted to \$(63,887) as of June 30, 2016, an increase of \$22,428 from 2015. This increase is the Change in Net Position reflected in the Statement of Activities shown in Table 2. CCLAFCO's net position as of June 30, 2016 comprised the following:

- Cash and investments comprised \$335,854 of cash on deposit with the Contra Costa County Treasury.
- Prepaid items totaling \$17,808.
- Accounts payable totaling \$32,600.
- Due to other government agencies totaling \$37,536.
- Net pension liability of \$400,173 (Note 7B) and retiree health liability of \$82,703 (Note 8C).
- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. CCLAFCO had \$(63,887) of unrestricted net position as of June 30, 2016.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position

	2016 Governmental Activities	2015 Governmental Activities
<u>Expenses</u>		
Salaries and benefits	\$ 382,281	\$ 365,540
Services and supplies	295,467	183,610
Total expenses	677,748	549,150
 <u>Revenues</u>		
Program revenues:		
Charges for services	48,446	12,663
Total program revenues	48,446	12,663
General revenues:		
Intergovernmental	651,730	610,152
Total general revenues	651,730	610,152
Total revenues	700,176	622,815
 <u>Change in net position</u>	\$ 22,428	\$ 73,665

As Table 2 above shows, \$48,446, or 5.4% of CCLAFCO's fiscal year 2016 governmental revenue, came from program revenues and \$651,730, or 94.6%, came from general revenues (i.e. contributions from local agencies). Furthermore, CCLAFCO had budgeted \$150,000 of its fund balance reserves to cover the budgeted excess expenditures over revenues.

Program revenues were composed of Boundary Proposal and related fees of \$48,446.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs. Application fees do not fully cover their costs.

Salaries and benefits costs include adjustments for other post-employment benefits as discussed in Note 8.

Capital Assets

CCLAFCO has no capital assets.

Contra Costa Local Agency Formation Commission
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Debt Administration

CCLAFCO does not utilize long-term debt to fund operations or growth.

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various agencies served by CCLAFCO.

The economic condition of CCLAFCO as it appears on the Statement of Net Position reflects financial stability and the potential for organizational growth. CCLAFCO will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the community.

Contacting CCLAFCO's Financial Management

The basic financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of CCLAFCO's finances. Questions about this report should be directed to Contra Costa Local Agency Formation Commission, 651 Pine Street 6th Floor, Martinez, California 94553.

Contra Costa Local Agency Formation Commission
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
 June 30, 2016

	General	Adjustments (Note 9)	Statement of Net Position
<u>ASSETS</u>			
Cash and investments	\$ 335,854	\$ -	\$ 335,854
Due from other governments	-	-	-
Prepaid items	17,808	-	17,808
Total assets	\$ 353,662	\$ -	353,662
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources- pension (Notes 2F and 7)		203,760	203,760
 <u>LIABILITIES</u>			
Accounts payable	\$ 32,600	\$ -	32,600
Due to other governments	37,536	-	37,536
Long-term liabilities:			
Other post employment benefits liability (Note 8)		82,703	82,703
Net pension liability (Note 7)		400,173	400,173
Total liabilities	70,136	482,876	553,012
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources- pension (Notes 2F and 7)		68,297	68,297
 <u>FUND BALANCES/NET POSITION</u>			
Fund balances:			
Unassigned fund balance	283,526	(283,526)	-
Total fund balances	283,526	(283,526)	-
Total liabilities and fund balances	\$ 353,662		
Net position:			
Unrestricted		(63,887)	(63,887)
Total net position		\$ (63,887)	\$ (63,887)

The accompanying notes are an integral part of these financial statements.

Contra Costa Local Agency Formation Commission
STATEMENT OF ACTIVITIES
AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Period Ended June 30, 2016

	General	Adjustments (Note 10)	Statement of Activities
Expenditures/expenses:			
Salaries and benefits	\$ 428,300	\$ (46,019)	\$ 382,281
Services and supplies	295,467	-	295,467
Total expenditures/expenses	723,767	(46,019)	677,748
Program revenues:			
Charges for services	48,446	-	48,446
Total program revenues	48,446	-	48,446
Net program expenses			(629,302)
General revenues:			
Intergovernmental	651,730	-	651,730
Total general revenues	651,730	-	651,730
Excess of revenues over (under) expenditures	(23,591)	23,591	-
Change in net position	-	22,428	22,428
Fund balance/Net position, beginning of period	307,117	(393,432)	(86,315)
Fund balance/Net position, end of period	\$ 283,526	\$ (347,413)	\$ (63,887)

The accompanying notes are an integral part of these financial statements.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 - REPORTING ENTITY

A. Organization of CCLAFCO

Contra Costa Local Agency Formation Commission (CCLAFCO) was formed in 1963. CCLAFCO is responsible for coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. CCLAFCO's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. CCLAFCO also conducts service reviews to evaluate the provision of municipal services within its county.

B. Principles that Determine the Scope of Reporting Entity

CCLAFCO consists of seven voting members and exercises the powers allowed by state statutes. This follows section 56325 of the Government Code. The basic financial statements of CCLAFCO consist only of the funds of CCLAFCO. CCLAFCO has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, CCLAFCO.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

CCLAFCO's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

CCLAFCO has chosen to present its basic financial statements using the reporting model for special purpose governments engaged in a single government program.

This model allows the fund financial statements and the government-wide statements to be combined using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements rather than at the bottom of the statements or in an accompanying schedule.

Government-wide Financial Statements

CCLAFCO's financial statements reflect only its own activities; it has no component units. The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through intergovernmental revenues and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of CCLAFCO's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the program. Revenues that are not classified as program revenues, including all intergovernmental revenues, are presented as general revenues.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. General Fund operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses) as appropriate. CCLAFCO's resources are accounted for based on the purposes for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of CCLAFCO or meets the following criteria: Total assets, liabilities, revenues or expenditures (or expenses) of the individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type. The General Fund is always a major fund.

Governmental Funds

General Fund: This is the operating fund of CCLAFCO. The major revenue source for this fund is intergovernmental revenues. Expenditures are made for intergovernmental revenues projects and administration.

B. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when "measurable and available." CCLAFCO considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are intergovernmental, certain charges for services and interest revenue. Charges for services are not susceptible to accrual because they are not measurable until received in cash.

CCLAFCO may fund programs with a combination of charges for services and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. CCLAFCO's policy is to first apply restricted resources to such programs, followed by general revenues if necessary.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

C. CCLAFCO Budget

Pursuant to Section 56381, et seq of the Government Code, CCLAFCO adopts a preliminary budget by May 1 and a final budget by June 15 of each year. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budget/actual comparisons in this report use this budgetary basis. These budgeted amounts are as originally adopted or as amended by CCLAFCO. Individual amendments were not material in relation to the original appropriations that were amended.

D. Property, Plant and Equipment

CCLAFCO currently has no fixed assets.

E. Compensated Absences

Compensated absences comprise unpaid vacation. Vacation and sick time are accrued as earned.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

NOTE 3 - CASH AND INVESTMENTS

CCLAFCO's cash is maintained with the Contra Costa County Treasury in a non-interest-bearing account. CCLAFCO's cash on deposit with the Contra Costa County Treasury at June 30, 2016 was \$335,854.

Credit Risk, Carrying Amount and Market Value of Investments

CCLAFCO maintains specific cash deposits with Contra Costa County. Contra Costa County is restricted by state code in the types of investments it can make. Furthermore, the Contra Costa County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, Contra Costa County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27130. In addition, CCLAFCO has its own investment policy as well.

Contra Costa County's investment policy authorizes Contra Costa County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2016, CCLAFCO's cash with the Contra Costa County Treasurer was maintained in a non-interest-bearing account.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 4 - USE OF ESTIMATES

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

NOTE 5 - CONTINGENCIES

CCLAFCO may be involved from time to time in various claims and litigation arising in the ordinary course of business. CCLAFCO management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters should not have a materially adverse effect on CCLAFCO's financial position or results of operations.

NOTE 6 - FUND EQUITY

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting of the components of Fund Balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Commissioners serve as CCLAFCO's highest level of decision-making authority and have the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by CCLAFCO for specific purposes, subject to change, as established either directly by the Commissioners or by management officials to whom assignment authority has been delegated by the Commissioners.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, CCLAFCO specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, CCLAFCO's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 6 - FUND EQUITY (concluded)

Net Position

Net Position is the excess of all CCLAFCO's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

Invested in capital assets, net of related debt describes the portion of Net Position that is represented by the current net book value of CCLAFCO's capital assets, less the outstanding balance of any debt issued to finance these assets. *Restricted* describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that CCLAFCO cannot unilaterally alter. *Unrestricted* describes the portion of Net Position that is not restricted to use.

All of CCLAFCO's Net Position is unrestricted.

NOTE 7 - PENSION PLANS

A. General Information about the Pension Plans

Plan Description: CCLAFCO participates in the Contra Costa County Employees' Retirement Association (CCCERA), a cost-sharing multiple employer defined benefit pension plan. CCCERA is governed by the Board of Retirement (Board) under the County Employee's Retirement Law of 1937, as amended on July 1, 1945. It provides benefits upon retirement, death or disability of members, and covers substantially all of the employees of the County of Contra Costa and eighteen other member agencies.

Benefits Provided: Benefits are based on years of credited service, equal to one year of full time employment. Members may elect service retirement at age of 50 with 10 years of service credit, age 70 regardless of service, or with thirty years of service, regardless of age.

Benefits are administered by the Board under the provision of the 1937 Act. Annual cost-of-living adjustments (COLA) to retirement benefits may be granted by the Board as provided by State statutes. Services retirements are based on age, length of service and final average salary. Employees may withdraw contributions, plus interest credited, or leave them on deposit for a deferred retirement when they terminate or transfer to a reciprocal retirement system.

The Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Miscellaneous Plans</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 55	2.5% @ 67
Benefit vesting schedule	10 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensations	0% - 100%	0% - 100%
Required employee contribution rates	6.85% - 8.87%	7.75%
Required employer contribution rates	33.53%-34.39%	28.28%

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 - PENSION PLANS (continued)

A. General Information about the Pension Plans (concluded)

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CCCERA. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. CCLAFCO is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous Plans</u>
Employer Contributions	\$ 103,349

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, CCLAFCO reported net pension liabilities for its proportionate share of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous Plans	\$ 400,173
Total Net Pension Liability	<u>\$ 400,173</u>

CCLAFCO's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of December 31, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015 using standard update procedures. CCLAFCO's proportion of the net pension liability was based on a projection of CCLAFCO's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. CCLAFCO's proportionate share of the net pension liability for each Plan as of June 30, 2015 was (0.030%) and 2016 (0.024%) which resulted in a decrease of (0.006%).

For the year ended June 30, 2015, CCLAFCO recognized pension expense of \$54,401. At June 30, 2015, CCLAFCO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 - PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 95,543	\$ -
Differences between actual and expected experience	-	40,399
Changes in assumptions	14,926	11
Change in proportion and differences between employer contributions and proportionate share of contributions	4,726	27,887
Net difference between projected and actual earnings on pension plan investments	88,565	-
Total	\$ 203,760	\$ 68,297

The \$95,543, reported as deferred outflows of resources related to contributions, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ -0-	\$ (11,174)
2018	5,848	(5,326)
2019	5,848	(5,326)
2020	9,364	2,337
2021	18,860	-0-

Actuarial Assumptions - The total pension liabilities in the December 31, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	December 31, 2014
Measurement Date	December 31, 2015
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Amortization Method	Level percent of payroll for total unfunded liability
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation Rate	2.75%
Payroll Growth	4.0%
Projected Salary Increase	4.0%-13.25%

A complete copy of the Actuarial Valuation Summary is available in separately issued financial statements of the plan which can be obtained from CCCERA located at 1355 Willow Way, Suite 221, Concord, CA 94520.

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 - PENSION PLANS (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% for the Plan. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2015.

The long-term expected rate of return on pension plan investments was determined in 2013 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	6.00%	5.75%
Developed International Equity	10.00%	6.99%
Emerging Markets Equity	14.00%	8.95%
Short-Term Govt/Credit	24.00%	0.20%
U.S. Treasury	2.00%	0.30%
Real Estate	7.00%	4.45%
Cash & Equivalents	1.00%	-0.46%
Risk Diversifying Strategies	2.00%	4.30%
Private Credit	17.00%	6.30%
Private Equity	17.00%	8.10%
Total	<u>100.00%</u>	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents CCLAFCO's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what CCLAFCO's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 - PENSION PLANS (concluded)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (concluded)

	Miscellaneous
1% Decrease	6.00%
Net Pension Liability	\$649,366
Current Discount Rate	7.00%
Net Pension Liability	\$400,173
1% Increase	8.00%
Net Pension Liability	\$197,252

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CCERA financial reports.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFIT (OPEB)

A. Plan Description

CCLAFCO provides health care for employees and dependents (and also for retirees and their dependents) through Contra Costa County. Employees may choose from the following medical options: Contra Costa Health Plan, Kaiser Permanente, Health Net HMO, and Health Net CA & National PPO.

All retired employees of CCLAFCO are eligible to receive health and dental benefits for life, with costs shared by CCLAFCO and the retirees.

B. Funding Policy

There is no statutory requirement for CCLAFCO to prefund its OPEB obligation. CCLAFCO currently pays a portion of retiree healthcare benefits on a pay-as-you-go basis. For the fiscal year ending June 30, 2016, CCLAFCO paid approximately \$18,990 for retiree healthcare plan benefits. As of July 1, 2013, the plan membership consisted of 2 active participants and 3 retirees and beneficiaries currently receiving benefits.

CCLAFCO is required to contribute or accrue the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

C. Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of CCLAFCO's Annual OPEB Cost for the fiscal year ended June 30, 2016, the amount actually contributed to the plan (including implicit subsidy, if any), and changes in CCLAFCO's Net OPEB Obligation/(Asset):

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 8 - OTHER POST-EMPLOYMENT BENEFIT (OPEB) (concluded)

C. Annual OPEB Cost and Net OPEB Obligation/(Asset) (concluded)

	2016
Annual Required Contribution	\$ 52,278
Interest on OPEB obligation	3,642
Adjustment to annual required contribution	<u>(5,265)</u>
Annual OPEB Cost (expense)	50,655
Contributions made	<u>(58,990)</u>
Increase (decrease) in net OPEB obligation	(8,335)
Net OPEB Obligation/ (Asset) - Beginning of year	<u>91,038</u>
Net OPEB Obligation/ (Asset) - End of year	<u><u>\$ 82,703</u></u>

CCLAFCO's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal year ended June 30, 2016, is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
6/30/15	\$ 50,498	\$ 59,263	117%	\$ 91,038
6/30/16	\$ 50,655	\$ 58,990	116%	\$ 82,703

D. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2013. In that valuation, the Alternate Measurement Method (AMM) was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual medical trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 5% after 3 years. The dental trend rate is 4% for all future years. These assumptions reflect an implicit 3% general inflation assumption. CCLAFCO's Unfunded Actuarial Accrued Liability is being amortized as a level dollar amount on an open basis over 30 years.

NOTE 9 - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION

Reconciling adjustments are as follows:

Deferred inflows related to pension	\$ (68,297)
Deferred outflows related to pension	203,760
Other post-employment benefits liability	(82,703)
Net pension liability	(400,173)
Total fund balances – governmental funds	<u>283,526</u>
Net position of governmental activities	<u><u>\$ (63,887)</u></u>

Contra Costa Local Agency Formation Commission
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 10 - RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES

Reconciling adjustments are as follows:

Net change in fund balance – total governmental funds	\$ (23,591)
The amounts below included in the statement of activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):	
Other post-employment benefits liability	8,335
Net pension liability transactions:	
Governmental funds record pension expense as it is paid. However, in the statement of activities those costs are reversed as deferred outflows/ (inflows) and an increase/ (decrease) in net pension liability.	<u>37,684</u>
Change in net position of governmental activities	<u>\$ 22,428</u>

Contra Costa Local Agency Formation Commission
AUDITORS' INFORMATION
June 30, 2016

Audit Firm:	R.J. Ricciardi, Inc.
Lead Auditor's Name:	Michael O'Connor, CPA
Audit Firm's Address:	1101 Fifth Avenue, Suite 360 San Rafael, CA 94901
Telephone number:	(415) 457-1215
Date of Independent Auditors' Report:	June 26, 2017

REQUIRED SUPPLEMENTARY INFORMATION

Contra Costa Local Agency Formation Commission
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

Required Supplemental Information
 Budget and Actual
 General Fund (Unaudited)
 For the Period Ended June 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 651,730	\$ 651,730	\$ 651,730	\$ -
Charges for services	12,000	12,000	48,446	36,446
Total revenues	663,730	663,730	700,176	36,446
Expenditures:				
Salaries and benefits	407,253	407,253	428,300	(21,047)
Services and supplies	286,477	286,477	295,467	(8,990)
Total expenditures	693,730	693,730	723,767	(30,037)
Excess of revenues over (under) expenditures	(30,000)	(30,000)	(23,591)	\$ 6,409
Fund balance, beginning of period			307,117	
Fund balance, end of period			\$ 283,526	
Contingency reserve	(80,000)	(80,000)		
OPEB trust	(40,000)	(40,000)		
Fund balance reserves	150,000	150,000		
Total	\$ -	\$ -		

The accompanying notes are an integral part of these basic financial statements.

Contra Costa Local Agency Formation Commission
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 Last 10 Years*

	2016	2015
Proportion of net pension liability	0.024%	0.030%
Proportionate share of the net pension liability	\$ 400,173	\$ 364,601
Covered-employee payroll	\$ 208,810	\$ 202,859
Proportionate Share of the net pension liability as a percentage of covered employee payroll	0.00%	179.73%
Plan fiduciary net position as a percentage of the total pension liability	77.84%	79.57%

Contra Costa Local Agency Formation Commission
 Cost-Sharing Multiple Employer Defined Benefit Retirement Plan
SCHEDULE OF CONTRIBUTIONS
 Last 10 Years*

	2016	2015
Actuarially determined contribution	\$ 103,349	\$ 97,935
Contributions in relation to the actuarially determined contributions	(103,349)	(97,935)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 208,810	\$ 202,859
Contributions as a percentage of covered-employee payroll	49.49%	48.28%

Notes to Schedule:

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

* Fiscal year 2015 was the first year of implementation, therefore only the first two years were available.

Contra Costa Local Agency Formation Commission
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
 Last 10 Years*

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Projected Unit Credit Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2013	\$ -	\$ 516,522	\$ 516,522	0%	\$ 195,072	264.7%

NOTE 1 - ACTUARIAL VALUATIONS

Actuarial valuations of an on-going plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contribution of the Commission are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Information regarding the actuarial methods and assumptions for the July 1, 2013 actuarial valuation can be found in Note 8 of the basic financial statements.



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>

July 12, 2017
 Agenda Item 10

July 12, 2017 (Agenda)

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

Proposed Amendments to the LAFCO Employee Benefit Plan

Dear Commissions:

LAFCO is an independent entity created by the State Legislature. Pursuant to Government Code §56000 et seq., LAFCO hires its own staff and can provide benefits, including health, dental, retirement and other benefits for its employees.

In November 2007, the Commission adopted a personnel system for Contra Costa LAFCO, including job descriptions, classification and salary plans, an updated contract between LAFCO and Contra Costa County Employees’ Retirement Association, and a LAFCO Employee Benefit Plan. The LAFCO Employee Benefit Plan provides benefits comparable to the County’s management benefit plan which were historically provided to LAFCO employees. Contra Costa LAFCO currently employs two full-time employees, both of whom are covered under this plan.

At this time, staff is proposing two amendments to the LAFCO Employee Benefit Plan relating to health and dental benefits and catastrophic leave. Neither amendment will negatively impact the LAFCO budget.

LAFCO currently purchases its health, dental and other employee benefits through Contra Costa County. LAFCO staff was recently contacted by the County Human Resources Department with information relating to changes to the County’s health benefits, which are available to LAFCO employees. The County has added several new health insurance options, including two new Kaiser plans, one new Health Net HMO plan, and one new Health Net PPO plan. Also, last year, the County shifted from a 2-tier benefit structure (i.e., Employee and Employee +1 or more dependent) to a 3-tier benefit structure (i.e., Employee only, Employee + 1 and Employee + 2 or more).

The proposed amendments include adding the new health insurance plan options and amending the tier structure to include 3-tiers to coincide with the County's structure. Should the Commission approve these amendments, they will become effective January 1, 2018. No changes to employee and employer premium proportions are proposed. The added health plan options will mirror existing premium proportions as shown in the attachment. Based on the current LAFCO employees' health plans and employee status, the 3-tier structure will result in costs savings to both employee and employer premiums.

The other proposed amendment deals with catastrophic leave. As noted above, the LAFCO Employee Benefit Plan was modeled after the County's management benefits and includes the following provision relating to catastrophic leave:

CATASTROPHIC LEAVE BANK: *Employees may contribute personal accruals of vacation, compensatory time, holiday time or floating holiday time to the County bank or a specific eligible employee. Employees may petition for transfer of accruals from the bank if all leave accruals have been exhausted due to catastrophic injury or illness. Details regarding catastrophic leave are provided in the Contra Costa County Management Resolution.*

Given that LAFCO employees are not County employees, this benefit is not available to LAFCO personnel. LAFCO employees consulted with human resource and legal experts as to whether LAFCO should create its own catastrophic leave program. The general consensus is that it is not feasible, and that LAFCO delete this provision from its employee benefit plan.

RECOMMENDATION: Staff recommends that the Commission amend the LAFCO Employee Benefit Plan per the attached resolution to include the proposed amendments to the Employee Benefit Plan.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment - LAFCO Resolution 2017-1 Amending the LAFCO Employee Benefit Plan

c: Ann Elliot, County Employee Benefits Manager

RESOLUTION NO. 2017-01

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AMENDING THE CONTRA COSTA LAFCO EMPLOYEE BENEFIT PLAN**

WHEREAS, the Contra Costa Local Agency Formation Commission (LAFCO) is an independent regulatory agency created by the State Legislature; and

WHEREAS, pursuant to Government Code §56385, LAFCO may provide benefits, including retirement, health, dental and other benefits to its employees; and

WHEREAS, in 2007, the Commission adopted a benefit plan for LAFCO employees; and

WHEREAS, Contra Costa LAFCO participates in Contra Costa County administered benefit programs for health, dental, life insurance, deferred compensation and other benefits; and

WHEREAS, any changes to the LAFCO employee benefit plan must be approved by the Commission; and

WHEREAS, Contra Costa LAFCO retains the right to modify the LAFCO employee benefit plan at any time, and will notify the County in such event; and

WHEREAS, the Contra Costa County Human Resources Department advised LAFCO of the County's enhanced medical plan options including new health plan choices (as shown in Exhibit A) and employee coverage tiers in which LAFCO employees are eligible to participate; and

WHEREAS, the County also advised that LAFCO employees are not eligible to participate in the catastrophic leave bank, and that this section of the LAFCO Employee Benefit Plan be amended or deleted.

NOW, THEREFORE, BE IT RESOLVED that effective January 1, 2018, Contra Costa LAFCO hereby amends its employee benefit plan as shown on the attached (Exhibit A), and that LAFCO will also provide the 3-tier health and dental plan premium structure (i.e., Employee only, Employee + 1 and Employee + 2 or more).

BE IT FURTHER RESOLVED that effective July 12, 2017, LAFCO amend its benefit plan to delete the section entitled **CATASTROPHIC LEAVE BANK**.

* * * * *

PASSED AND ADOPTED THIS 12TH day of July 2017, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

DONALD A. BLUBAUGH, 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

EXHIBIT A

MEDICAL, DENTAL AND RELATED BENEFITS: LAFCO offers its employees health, dental and related benefits through the County's plans which include the following: Contra Costa Health Plans (CCHP) Plan A or Plan B, Kaiser Foundation Health Plans ([Plan A](#), [Plan B](#) or [High Deductible Plan](#)), and Health Net HMO ([Plan A](#) or [Plan B](#)) or PPO ([Plan A](#) or [Plan B](#)). Delta Dental and PMI Delta Care Dental are available separately or in combination with medical plans.

LAFCO will pay the following proportions of the monthly premium charges for employees and for their eligible family members as defined in the Contra Costa County Management Resolution:

- a. CCHP, Plan A – 98%
- b. CCHP, Plan B – 90%
- c. Kaiser, [Plan A](#) – 80%
- d. [Kaiser, Plan B – 80%](#)
- ~~d.~~e. Health Net HMO, [Plan A](#) – 80%
- f. [Health Net HMO, Plan B – 80%](#)
- ~~e.~~g. Health Net PPO, [Plan A](#) – 66.27% (only 50% of any premium increase after 2000)
- h. [Health Net PPO, Plan B – 66.27% \(only 50% of any premium increase after 2000\)](#)
- ~~f.~~i. Delta Dental or PMI Delta Care Dental when combined with CCHP ~~Plan A or B~~ – 98%
- ~~g.~~j. Delta Dental when combined with Kaiser, Health Net HMO or Health Net PPO – 78%
- ~~h.~~k. PMI Delta Care Dental when combined with Kaiser, Health Net HMO or Health Net PPO – 78%
- ~~i.~~l. Delta Dental or PMI Delta Care Dental when not combined with any health plan – 100% (less \$.01)



Lou Ann Texeira
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

July 12, 2017
Agenda Item 11

July 12, 2017

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

Legislative Report - Update and Position Letters

Dear Members of the Commission:

This year marks the first year of a two-year legislative session in Sacramento. Presently, CALAFCO is sponsoring three bills and tracking a number of bills that have direct and indirect impact on LAFCOs (Attachment 1 - CALAFCO Legislative Report).

CALAFCO is sponsoring **AB 464** (Gallagher). This bill makes the necessary corrections to LAFCO law to allow LAFCOs to continue to approve annexations of areas already receiving services via an out of area service agreement. This bill was enrolled and is on the Governor’s desk.

CALAFCO is also sponsoring **AB 1725**, the annual Omnibus bill which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill includes five proposed items, all of which were approved by the CALAFCO Legislative Committee. This bill was last referred to the Appropriations Committee June 28th.

CALAFCO and the California Special Districts Association are co-sponsoring **AB 979** which facilitates the seating of special district members on LAFCO. This bill passed the Government & Finance Committee on June 21st and was referred to the Appropriations Committee.

In April, Contra Costa LAFCO sent letters supporting these three bills.

On June 22nd, CALAFCO issued an urgent call for legislative action requesting that each LAFCO send a letter urging the Governor to sign AB 464.

Contra Costa LAFCO’s legislative policy provides our LAFCO with flexibility to respond to urgent legislation that affects LAFCO. Specifically, the policy provides that in “*situations when proposed legislation affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the LAFCO Chair (or Vice Chair in the*

absence of the Chair), is authorized to provide written or email comments communicating the Commission's position if the position is consistent with the adopted legislative policies of the Commission. The Chair or Vice Chair would review the letter or email prior to it being submitted. The Executive Officer will forward the email or letter to the Commission as soon as possible. The item will be placed on the next regular LAFCO meeting agenda as either "informational" or for discussion purposes."

In response to CALAFCO's request, and in accordance with the Commission's policy, a letter urging the Governor to sign AB 464 was sent (Attachment 2).

Little Hoover Commission (LHC) Update – On June 22, 2017, the LHC held a roundtable discussion on special districts and LAFCOs. CALAFCO was well represented with LAFCO staff and Commissioners. The study session focused on recommendations by the LHC aimed at enhancing special governance, transparency, climate change adaptation, and healthcare districts. The LHC will meet again in August to further refine its recommendations. A draft report is anticipated in early 2018.

In response to these discussions at the state level, CALAFCO has formed a working group focusing on healthcare districts (HCDs). The working group is currently focusing on four concepts: 1) guidelines for LAFCO Municipal Service Reviews (MSRs) covering HCDs; increasing local agency participation in LAFCO MSR process; 3) revisiting LAFCO funding apportionment relating to HCDs; and 4) enhancing LAFCO regulation of services (i.e., sale of hospital, activate/deactivate services, etc.).

On June 23rd, the CALAFCO Legislative Committee met and discussed these and other issues. Commissioner McGill and the Commission's Executive Officer participated in the conference call. Also, on June 29th and Commissioner McGill and the Executive Officer met with Assembly member Tim Grayson as a follow-up to our meeting in March 2017. We provided the Assembly Member an update on legislative issues of interest to LAFCO. Commissioner McGill and LAFCO staff are happy to provide additional information and respond to questions at the LAFCO meeting on July 12th.

RECOMMENDATION – Receive legislative update.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – July 5, 2017
Attachment 2 - Letter Urging Governor's Signature - AB 464

CALAFCO Daily Legislative Report as of Wednesday, July 05, 2017

[AB 1479](#) ([Bonta D](#)) **Public records: custodian of records: civil penalties.**

Current Text: Amended: 7/3/2017 [Text](#)

Introduced: 2/17/2017

Last Amended: 7/3/2017

Status: 7/3/2017-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD.

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

Calendar:

7/11/2017 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair

Summary:

Under current law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. This bill would require public agencies to designate a person or persons, or office or offices to act as the agency's custodian of records who is responsible for responding to any request made pursuant to the California Public Records Act and any inquiry from the public about a decision by the agency to deny a request for records. The bill also would make other conforming changes.

Position: Oppose

Subject: Public Records Act

CALAFCO Comments: As amended this bill requires any public agency to designate a person/office to act as the agency's custodian of records who will be responsible for responding to all public records requests and to respond to an inquiries as to why the agency denied the request for records. Further the bill adds a failure to respond for records or an improperly assessed fee can be considered a civil penalty and allows the courts to issue fines ranging from \$1000 - \$5000.

1

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

Current Text: Enrollment: 6/26/2017 [Text](#)

Introduced: 2/13/2017

Last Amended: 3/14/2017

Status: 6/26/2017-Enrolled and presented to the Governor at 2:30 p.m.

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.

Attachments:

[CALAFCO Letter Requesting Governor Signature](#)

[CALAFCO Letter of Support April 2017](#)

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.

As amended, corrections were made to: 56653(b)(3) reading "proposed" rather than "provided", and in Government Code Section 56857 an exemption added pursuant to Public Utilities Code Section 9608 for territory already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Public Utilities Code Section 9608.

AB 979 (Lackey R) Local agency formation commissions: district representation.

Current Text: Amended: 5/15/2017 [Text](#)

Introduced: 2/16/2017

Last Amended: 5/15/2017

Status: 6/21/2017-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 21). Re-referred to Com. on APPR.

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

Calendar:

7/10/2017 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides for the selection of representatives of independent special districts on each local agency formation commission by an independent special district selection committee pursuant to a nomination and election process. This bill would additionally require the executive officer to call and hold a meeting of the special district selection committee upon the adoption of a resolution of intention by the committee relating to proceedings for representation of independent special districts upon the commission pursuant to specified law.

Attachments:

[CALAFCO Sponsor/Support Letter April 2017](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This bill is co-sponsored by CALAFCO and CSDA. As amended, the bill amends 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).

AB 1361 (Garcia, Eduardo D) Municipal water districts: water service: Indian tribes.

Current Text: Amended: 6/28/2017 [Text](#)

Introduced: 2/17/2017

Last Amended: 6/28/2017

Status: 6/28/2017-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on RLS.

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

Summary:

The Municipal Water District Law of 1911 provides for the formation of municipal water districts and grants to those districts specified powers. Current law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would additionally authorize a district to provide this service of water to an Indian tribe's lands that are not within the district if the Indian tribe's lands are owned by the tribe.

Position: Oppose

Subject: Water

AB 1725 (Committee on Local Government) Local agency formation.

Current Text: Amended: 7/3/2017 [Text](#)

Introduced: 3/20/2017

Last Amended: 7/3/2017

Status: 7/3/2017-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

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

1st House	2nd House	Conc.
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Calendar:

7/10/2017 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

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. The act defines various terms for these purposes, including the term "contiguous," which the act defines as territory adjacent to territory within the local agency. This bill would instead define "contiguous" as territory that abuts or shares a common boundary with territory within a local agency.

Attachments:

[CALAFCO Letter of Support April 2017](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill. The bill makes only minor, non-substantive technical changes to CKH.

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: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Desk	Policy	2 year	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: Amended: 7/3/2017 [Text](#)

Introduced: 2/15/2017

Last Amended: 7/3/2017

Status: 7/3/2017-From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV.

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

Calendar:

7/12/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination. This bill would instead require special districts defined by a specified provision to file those audit reports with the Controller and special districts defined by another specified provision to file those audit reports with the Controller and with the local agency formation commission of either the county in

which the special district is located or, if the special district is located in 2 or more counties, with each local agency formation commission within each county in which the district is located.

Attachments:

[CALAFCO Oppose Unless Amended Letter](#)

Position: Oppose unless amended

Subject: CKH General Procedures

CALAFCO Comments: As amended substantially on May 26, this bill authorizes LAFCo to dissolve inactive districts (after determining they meet the criteria set forth in the statute) by holding one hearing, without conducting a special study and with the waiver of protest proceedings. The bill is currently silent on how the LAFCo knows a district is inactive and the time frame in which the LAFCo must take the dissolution action. CALAFCO has been working with stakeholders and the authors office on pending amendments that will help clarify the process and connect other statutes to these actions. CALAFCO submitted amendments on June 18 for the authors consideration.

AB 267 (Waldron R) Community services districts.

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

Introduced: 2/1/2017

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/1/2017)(May be acted upon Jan 2018)

2 year	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 548 (Steinorth R) Omnitrans Transit District.

Current Text: Amended: 4/4/2017 [Text](#)

Introduced: 2/14/2017

Last Amended: 4/4/2017

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/23/2017)(May be acted upon Jan 2018)

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

Summary:

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and unspecified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

Position: None at this time

CALAFCO Comments: This bill, as amended, appears to dissolve the Omnitrans JPA and form a new independent special district to be known as the Omnitrans Transit District. The formation process does not include LAFCo. CALAFCO is reaching out to the author's office for more details.

AB 577 (Caballero D) Disadvantaged communities.

Current Text: Amended: 3/9/2017 [Text](#)

Introduced: 2/14/2017

Last Amended: 3/9/2017

Status: 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 2/27/2017)(May be acted upon Jan 2018)

Desk	2 year	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 expand the definition of a disadvantaged community to include 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

CALAFCO Comments: Sponsored by the Environmental Justice Coalition for Water, this bill is intended to expand the definition of disadvantaged communities to include multi-family households. According to the author's office this will be a two-year bill. CALAFCO will retain a Watch position until any amendments are in print.

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

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

Introduced: 2/14/2017

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/2/2017)(May be acted upon Jan 2018)

Desk	2 year	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. Update: The author's office indicates they will hold off moving this bill. CALAFCO will continue to Watch.

AB 892 (Waldron R) Municipal water districts: water service: Indian tribes.

Current Text: Amended: 3/23/2017 [Text](#)

Introduced: 2/16/2017

Last Amended: 3/23/2017

Status: 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/23/2017)(May be acted upon Jan 2018)

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

Summary:

Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. This bill would authorize, rather than require, a district to provide this service of water. The bill would apply this authorization to all Indian tribes whose lands are owned by the tribe.

Position: Watch

Subject: Water

CALAFCO Comments: According to the author's office, this may very well become a two-year bill. The intent of the bill was to make it permissive for an Indian tribe to negotiate directly with a water provider to obtain water services. This would circumvent LAFCo. This bill expands on last year's bill by Gonzalez-Fletcher, AB 2470. The author's office has indicated the bill will not move forward in it's current version. They understand CALAFCO's concerns. CALAFCO will continue to monitor the bill for any amendments and will consider a position if/when amendments are in print.

AB 1728 (Committee on Local Government) Health care districts: board of directors.

Current Text: Introduced: 3/22/2017 [Text](#)

Introduced: 3/22/2017

Status: 6/1/2017-Referred to Com. on GOV. & F.

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

Calendar:

7/12/2017 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district, including purchasing, receiving, having, taking, holding, leasing, using, and enjoying property. This bill would require the board of directors to adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts, establish and maintain an Internet Web site that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants.

Attachments:

[AB 1728 CALAFCO Letter of Support](#)

Position: Support

Subject: Other

CALAFCO Comments: As introduced, this bill requires healthcare districts to adopt annual budgets, establish and maintain a website (and prescribes the required site content), and adopt policies for grant funding.

[SB 206](#) (Committee on Governance and Finance) Validations.

Current Text: Enrollment: 6/27/2017 [Text](#)

Introduced: 2/1/2017

Status: 6/27/2017-Enrolled and presented to the Governor at 3:30 p.m.

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 Letter Requesting Governor Signature_06_26_17](#)
[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: Enrollment: 6/27/2017 [Text](#)

Introduced: 2/1/2017

Status: 6/27/2017-Enrolled and presented to the Governor at 3:30 p.m.

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 Letter Requesting Governor Signature_06_26_17](#)
[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: Enrollment: 6/27/2017 [Text](#)

Introduced: 2/1/2017

Status: 6/27/2017-Enrolled and presented to the Governor at 3:30 p.m.

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 Letter Requesting Governor Signature_06_26_17](#)
- [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: 7/3/2017-From committee: Do pass as amended. (Ayes 8. Noes 0.) (June 28).

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

Calendar:

7/5/2017 #6 ASSEMBLY SECOND READING FILE -- SENATE BILLS

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.

Attachments:

- [SB 365 CALAFCO Letter of Oppose_03_28_17](#)

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: This bill calls for the formation of a regional park and open space district which will circumvent the LAFCo formation process. CALAFCO discussed our concerns with the author's office, who has made it clear they will not be considering any potential amendments unless requested by Solano LAFCo. As Solano LAFCo is now formally in support of the bill, it is not likely there will be any amendments.

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

Current Text: Amended: 5/2/2017 [Text](#)

Introduced: 2/15/2017

Last Amended: 5/2/2017

Status: 5/25/2017-May 25 hearing: Held in committee and under submission.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptored
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.

Attachments:

- [CALAFCO Support Letter May 2017](#)

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: This bill renews partial subvention funding for the Williamson Act as a fiscal incentive to lift contract moratoria, implements solar use easements and Farmland Security Zone Contracts, and increases subvention funding for counties that adopt conservation planning strategies for agriculturally zoned property that further our state's sustainable community goals.

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

Current Text: Amended: 5/26/2017 [Text](#)

Introduced: 2/17/2017

Last Amended: 5/26/2017

Status: 6/29/2017-From committee: Do pass and re-refer to Com. on W.,P., & W. (Ayes 9. Noes 0.)

(June 28). Re-referred to Com. on W., P., & W.

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

Calendar:

7/11/2017 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, Chair

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.

Attachments:

- [CALAFCO Letter Removing Opposition_06_26_17](#)
- [CALAFCO Letter Oppose Unless Amended_03_27_17](#)

Position: Neutral

Subject: Special District Consolidations

CALAFCO Comments: As amended, this bill consolidates two independent water districts in Los Angeles. The bill was amended to include LAFCo in the process via an application for binding conditions. As statute does not allow the local LAFCo to deny the application when both district boards have adopted resolutions of support, the amendments of May 26 address all of CALAFCO's concerns. As a result CALAFCO has removed our opposition and now is neutral on the bill.

SB 693 (Mendoza D) Lower San Gabriel River Recreation and Park District.

Current Text: Amended: 7/3/2017 [Text](#)

Introduced: 2/17/2017

Last Amended: 7/3/2017

Status: 7/3/2017-Read second time and amended. Re-referred to Com. on W., P., & W.

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

Calendar:

7/11/2017 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, Chair

Summary:

Would specifically authorize the establishment of the Lower San Gabriel River Recreation and Park District, by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission before January 1, 2020, subject to specified existing laws governing recreation and park districts, including their formation, except as provided. The bill would authorize specified city councils and the Los Angeles County Board of Supervisors to appoint members to, and the executive officer of the conservancy to serve as a member on, the initial board of directors of the district.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: This bill forms the Lower San Gabriel River Recreation and Park District while leaving a majority of the LAFCo process intact. CALAFCO will keep watching to ensure it stays that way.

Total Measures: 20

Total Tracking Forms: 20

7/5/2017 10:23:16 AM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
 651 Pine Street, Sixth Floor • Martinez, CA 94553-1229
 e-mail: LouAnn.Teixeira@lafco.cccounty.us
 (925) 335-1094 • (925) 335-1031 FAX



Lou Ann Teixeira
 Executive Officer

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 Donald A. Blubaugh
 Public Member
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 Special District Member
 Rob Schroder
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 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

June 23, 2017

The Honorable Governor Edmund G. Brown, Jr.
 State of California
 State Capitol Building
 Sacramento, CA 95814

RE: Request to Sign AB 464 (Gallagher) Local Government Reorganization

Dear Governor Brown:

The Contra Costa Local Agency Formation Commission (LAFCO) respectfully requests that you sign **Assembly Bill 464** (Gallagher) which is now before you for action. **AB 464** makes necessary technical changes to existing LAFCO law to solidify the current practice of LAFCOs approving annexations of areas already being served by a local agency through an out of area service agreement (Government Code Section 56133).

As a result of a court decision in 2014 in the case of *City of Patterson v. Turlock Irrigation District*, all future annexations of an area receiving services through an approved out of area service agreement will not be valid. What began as a local issue has now become a critical statewide concern. This bill seeks to remedy that problem by ensuring that under certain conditions, LAFCOs can continue to evaluate applications which include the annexation of territory where services are already being provided via an out of area service agreement. Further, the bill allows for common sense boundary alignments and more predictable growth planning.

By allowing the annexation of these areas, **AB 464** also ensures the people paying for and receiving the services, can participate in elections and potentially serve on the governing board of the service provider.

It is important to note that this bill does not change the current rights of a city or district to oppose an annexation, nor does it change any protest provisions in current law. It simply ensures the ability for LAFCOs to continue the practice of common sense boundary oversight for service providers. As there are many pending annexations throughout the state that are associated with previously approved out of area service extensions, this legislation is critical to the successful annexation of these areas.

The bill has had unanimous support in both the Assembly and Senate and makes necessary corrections to existing law to allow for the ongoing annexation of areas that may already be receiving services. As **AB 464** is good public policy, we respectfully urge you to sign **AB 464**.

Sincerely,



DONALD A. BLUBAUGH, CHAIR
CONTRA COSTA LAFCO

- c: Honorable James Gallagher, Assemblymember
- Tom Dyer, Chief Deputy Legislative Secretary to the Governor
- Katja Townsend, Legislative Aide to Assemblymember Gallagher
- Pamela Miller, California Association of Local Agency Formation Commissions



Lou Ann Texeira
Executive Officer

MEMBERS

- | | |
|---|--|
| Candace Andersen
<i>County Member</i> | Michael R. McGill
<i>Special District Member</i> |
| Donald A. Blubaugh
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| Federal Glover
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<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> |

July 12, 2017

July 12, 2017
Agenda Item 12

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

2016-2017 Contra Costa County Civil Grand Jury Reports

Dear Members of the Commission:

The grand jury system in California consists of 58 grand juries—one in each county. The grand jury is convened annually by the Superior Court to carry out the following functions:

- investigate and report on the operations of local government (which is known as the "watchdog" function - a civil, rather than criminal function),
- issue criminal indictments to require defendants to go to trial on felony charges, and
- investigate allegations of a public official's corrupt or willful misconduct in office, and when warranted, file an "accusation" against that official to remove him or her from office.

With regard to its watchdog authority, the grand jury investigates local governments as it is an independent body, separate from the entities and officials it investigates. It conducts its investigations under the auspices of the Superior Court and has broad access to public officials, employees, records and information.

The grand jury's fact-finding efforts typically result in written reports which contain specific recommendations aimed at identifying problems and offering recommendations for improving government operations and enhancing responsiveness. In this way, the grand jury promotes government accountability.

Throughout the State, grand juries spend considerably more time on investigating and reporting on local government operations than they do on criminal matters. The local governmental entity to which a report is directed is required to answer both the *Findings* and *Recommendations* in writing and within a specified period of time after the issuance of the final report.

Since the 2016-2017 Grand Jury convened, it has issued 12 reports, all of which are available online at <http://www.cc-courts.org/civil/grand-jury-reports.aspx>. The 2016-2017 reports cover a

number of topics ranging from mental health services for at-risk children, homelessness in cities, and emergency mass care and shelter, to animal shelter services, funding flood control infrastructure, and the Concord Naval Weapons Station Reuse.

Of particular interest to LAFCO are two recent reports: *Funding the East Contra Costa Fire Protection District* and *Alamo Parks Planning and Development* (County Service Area R-7). You can access these reports online or through the LAFCO office.

This is an informational item – no Commission action is needed.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER



AGENDA

RETIREMENT BOARD MEETING

July 12, 2017
Agenda Item 13

SECOND MONTHLY MEETING
May 24, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the April 12, 2017.

CLOSED SESSION

4. The Board will go into closed session under Gov. Code Section 54957 to evaluate the performance of the following public employee:

Title: Chief Executive Officer

5. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)

Agency designated representative:
Joe Wiley, CCCERA's Chief Negotiator

Unrepresented Employee: Chief Executive Officer

6. CONFERENCE WITH LABOR NEGOTIATOR
(Government Code Section 54957.6)

Agency designated representative:
Gail Strohl, Chief Executive Officer

Unrepresented Employees: All CCCERA unrepresented positions

7. The Board will meet in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:

Jon Wilmot v. CCCERA Board of Retirement, et al., Contra Costa County Superior Court, Case No. N16-1730.

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

OPEN SESSION

8. Consider and take possible action to adopt updated Asset Allocation targets.
9. Consider and take possible action to authorize search for Risk Parity mandate.
10. Review of total portfolio performance for period ending March 31, 2017.
11. Review of Report on Liquidity Sub-portfolio.
12. Presentation of the CCCERA 2017 Compliance Activity Plan.
13. Consider authorizing the attendance of Board and/or staff:
 - a. DLJ Annual Meeting, June 21, 2017, New York, NY. (Note conflict with Board meeting).
 - b. Modern Investment Theory & Practice for Retirement Systems, SACRS, July 24-26, 2017, Berkeley, CA. (Note conflict with July 26, 2017 Board meeting).
14. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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



AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
June 21, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the May 24, 2017 meeting.

CLOSED SESSION

4. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

Agency designated representatives:
Gail Strohl, Chief Executive Officer
Christina Dunn, Deputy Chief Executive Officer

Employee Organization: AFSCME, Local 2700
Unrepresented Employees: All CCCERA unrepresented positions

5. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *In re Nicholson*, OAH, Case No.: 2016120595; *In re Benike*, OAH, Case No.: 2016120594; *In re Adebisi*, OAH, Case No.: 2016120547; *In re Gallagher*, OAH, Case No.: 2016060649; *In re Jonsson*, OAH, Case No.: 2016120649
 - b. *In re Asuncion*, OAH, Case No.: 2016060672; *In re Barrow*, OAH, Case No.: 2016120563; *In re Berletti*, OAH, Case No.: 2016120564; *In re Funk*, OAH, Case No.: 2016120565; *In re Giron*, OAH, Case No.: 2016120577; *In re Kim*, OAH, Case No.: 2016120569; *In re Stone*, OAH, Case No.: 2016120567; *In re Wille*, OAH, Case No.: 2016120574
 - c. *In re Tremain*, OAH, Case No.: 2016120571
 - d. *In re Frazier*, OAH, Case No.: 2016120579

OPEN SESSION

6. Presentation from Brown Armstrong on the audit of the December 31, 2016 financial statements.

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

7. Consider and take possible action to adopt Board of Retirement Resolution 2017-4 authorizing participation in the special district risk management authority workers' compensation program.
8. Presentation of 2016 CCCERA budget vs. actual expenses report.
9. Consider authorizing the attendance of Board and/or staff:
 - a. 63rd Annual Conference, National Association of State Retirement Administrators, August 5-9, 2017, Baltimore, MD. (Note: Conflict with meeting)
 - b. 2017 Client Summit Program, Verus Consulting, August 28-29, 2017, San Francisco, CA.
10. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

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

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – JULY 12, 2017**

July 12, 2017
Agenda Item 15b

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	Currently incomplete
151 Circle Drive – Annexation to City of Walnut Creek – proposed annexation of 0.179± acres located at 151 Circle Drive	Mar 2017	Currently incomplete
North Peak Equestrian Center – proposed SOI expansion to CCWD of 9.68± acres (APN 138-270-002) located at 1550 Castle Rock in unincorporated Walnut Creek	May 2017	Under review
North Peak Equestrian Center – proposed annexation to CCWD of 9.68± acres (APN 138-270-002) located at 1550 Castle Rock in unincorporated Walnut Creek	May 2017	Under review
West County Wastewater District Annexation 316 (Goodrick Avenue) – proposed annexation of 13.89± acres located south of the intersection of Protectocoat Lane and Goodrick Ave in unincorporated North Richmond	June 2017	Under review

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The Real Cause of Gentrification

When Victoria Fierce arrived in the Bay Area three years ago, she decided to look for a place to live in North Oakland's Rockridge district. She had scored a job at a tech startup in San Francisco and was attracted to Rockridge because it has a BART station and seemed like a transit-oriented, walkable neighborhood. But she quickly realized that apartments are scarce in Rockridge and the nearby Temescal district and that rents are astronomically high.

"When I first move out here," she said, "I looked at Rockridge, and thought, 'Wow, this is so great. ... I wish I could afford to live here.'"

Fierce relocated to Oakland from Akron, Ohio, and ultimately landed in downtown. Although she loves living here, she says she sometimes doesn't feel welcome. She and other millennials who moved to Oakland during the tech boom have been blamed for gentrifying traditionally low-income areas of downtown, Uptown, and West Oakland. Some city residents have derided the newcomers, alleging that they're responsible for soaring rent and housing prices and the displacement of low-income people of color. Fierce, who is transgender, said she and her friends have been called "gentrifiers" and "techie scum" among other names.

But Fierce and her friends don't scare easily, and they're fighting back. They formed East Bay Forward, a group that champions new housing in Oakland, Berkeley, Alameda, and other urban areas, especially along transit lines. They consider themselves to be urbanists, or YIMBYs (for Yes In My Backyard), and they attend city council and planning commission meetings in support of dense housing developments and high-rises, while publicly calling out the NIMBYs (Not In My Backyard) who oppose them.

Yet while urbanists are cheering on the current housing construction boom in downtown and Uptown Oakland, they're also sensitive to the impacts of gentrification. They say it's unfair that nearly all the new housing is concentrated in certain areas of the city, while higher-income neighborhoods like Rockridge have effectively walled themselves off with special rules that ban large apartment buildings and condo complexes.

YIMBYs are pushing to ease these special rules, known as exclusionary zoning, and they're calling their nascent effort #UpzoneRockridge. They argue that it's not equitable for a diverse city like Oakland to prohibit dense new housing in predominantly white, upper-income areas. And they point out that opening up Rockridge and portions of Temescal to new housing will help relieve gentrification pressures elsewhere. After all, it's impossible to gentrify tony neighborhoods, because they're already gentrified. "The only people who can now afford to move here are rich people," said Justin Horner, a Rockridge resident and member of East Bay Forward.

But Horner, Fierce, and other YIMBYs realize that many wealthy and influential North Oakland residents will strenuously oppose any plans to upzone their neighborhoods. So East Bay Forward is proposing a more modest approach: It wants the city to greenlight some increases to height and density limits along major streets near Rockridge BART, reduce parking requirements in the area, and lift prohibitions on smaller apartment buildings on surrounding streets.

They say the streets of Rockridge and much of Temescal should once again allow construction of what is known as the “missing middle,” smaller buildings that range in size from three to about 12 units and were once common in North Oakland. In fact, Rockridge and Temescal are sprinkled with such housing. Much of it was built between the 1920s and the ’40s, but then was banned in the ’50s and ’60s when residents started complaining about traffic and the lack of parking.

Any proposal to upzone Rockridge today will surely be met with similar complaints. But there’s a growing sense among YIMBYs that momentum may be on their side. Over the past decade, environmental groups like the Greenbelt Alliance have increasingly argued that cities must build more dense urban housing to curb suburban sprawl and long commutes, protect open space, and help fight climate change. These days, you can’t call yourself an environmentalist and oppose dense urban housing near transit.

Moreover, numerous recent studies have concluded that the high cost of housing in the Bay Area and the displacement of low-income residents are directly related to exclusionary zoning rules and the region’s failure to build enough housing to keep up with population growth.

Meanwhile, Bay Area millennials are fed up with the lack of housing near job centers. A recent poll commissioned by the Bay Area Council, a business-oriented public policy advocacy organization, found that 46 percent of millennials said they want to leave the region, citing the high cost of living and out-of-control housing prices as two of the major reasons. Seventy percent said they would support building more housing in their neighborhoods.

But the baby boomers and Gen Xers who have watched the values of their homes skyrocket in the past few decades—thanks in large part to the persistent housing shortage created by zoning—are much less enthusiastic about changing the rules, even as their own children are priced out of the region. It’s a viewpoint that was shared by their parents, grandparents, and great-grandparents: the people who created exclusionary housing rules.

However, the motivation of those previous generations had nothing to do with parking or traffic.

The idea of creating exclusionary housing in Oakland—of blocking certain people from moving into certain neighborhoods—dates back more than a century and was rooted in racism. In the early 1900s, in order to keep out African-, Asian-, and Latin-American residents, developers of Rockridge and the nearby Claremont neighborhood in Berkeley attached racial “covenants” to the deeds of homes, ensuring that they would be white-only areas.

A 1909 advertisement in the *San Francisco Call* newspaper for Rock Ridge Park (now commonly known as Upper Rockridge) plainly stated a covenant attached to deeds in the neighborhood at the time: “No negroes, no Chinese, no Japanese can build or lease in Rock Ridge Park.”

Oakland historian Dennis Evanosky said such ads were common back then. “They would put ‘No Negroids’ and ‘No Mongoloids’ in the covenants,” he said.

And racial covenants were not exclusive to Oakland and Berkeley. “It was a national phenomenon,” said Richard Rothstein, a senior fellow at the Haas Institute and a research associate at the Economic Policy Institute at UC Berkeley who has studied racist housing policies around the nation.

Over time, racial covenants eventually expired and were no longer used in the East Bay, and the

U.S. Supreme Court outlawed the enforcement of them in 1948. But cities like Oakland and Berkeley replaced the covenants with exclusionary zoning laws that essentially accomplished the same result.

Exclusionary zoning got its start in the East Bay in the early 1910s in Berkeley. At the time, Duncan McDuffie, cofounder of Mason-McDuffie real estate company and developer of the Claremont neighborhood, just across the border from Rockridge, was upset that the nearby Elmwood district did not have racial covenants like those of his development, according to a 1986 historical report in the *Berkeley Planning Journal*. McDuffie was particularly outraged that a Chinese laundry had opened on College Avenue. McDuffie, who was perhaps the East Bay's first influential NIMBY, called the laundry an "incompatible" use and warned that more were coming.



PAT MAZZERA

Rockridge and Temescal are sprinkled with "missing-middle" housing, small apartment buildings that were constructed in 1920s to the '40s, but then were banned.

As chairman of the then-powerful Berkeley Civic Arts Commission, McDuffie was politically formidable. He later helped establish both the California state parks and the East Bay regional parks systems and served as president of the Sierra Club and chair of the Save the Redwoods League. In 1913, he convened a meeting at the Claremont Hotel to discuss the creation of zoning laws in Berkeley that would exclude people of color. It was one of the first meetings of its kind in the nation. A flier for the meeting read, "The location of one laundry near Dwight Way ... deteriorated that neighborhood until only negroes and Orientals would rent nearby buildings."

In 1916, McDuffie convinced the Berkeley City Council to approve an exclusionary zoning ordinance, arguing that it was needed for "protection against the disastrous effects of uncontrolled development," according to a 2013 historical report in *The Concord Review*. The city expedited the ordinance "to prevent a prominent negro dance hall from locating on a prominent corner" in the Elmwood, according to the report.

A year later, in 1917, the U.S. Supreme Court outlawed city zoning rules based on race, but in the decades afterward, Berkeley and Oakland adapted by banning apartment buildings in neighborhoods like Rockridge, Elmwood, and areas of Temescal and only allowing single-family homes, under the assumption that low-income people would not be able to afford to buy a house in an upscale area. Real estate agents and banks then kept the neighborhoods white for years through red-lining practices—refusing to sell homes or offer mortgage loans to people of color in traditionally white areas.

In the 1950s, '60s, and early '70s, Oakland and Berkeley finished walling off white neighborhoods from development through the implementation of strict building-height limits and parking mandates that effectively made apartment buildings impossible to build.

Today, there is no evidence that racism still plays a role in opposing new dense housing in Rockridge, parts of Temescal, and in neighborhoods like Elmwood and Claremont. Instead, residents of those areas cite concerns about parking and traffic, “greedy developers,” and “shadows” cast by tall buildings as reasons to oppose new housing.

But regardless of what motivates today’s opponents of more housing in wealthy areas, the legacy of Duncan McDuffie remains.

The harmful impacts of exclusionary zoning reach far beyond neighborhoods such as Rockridge. The decision to ban dense housing development in wealthy areas has been a major factor in the Bay Area’s housing shortage. It has helped spur suburban sprawl and created a significant barrier to reducing greenhouse gases. And it has played an indirect role in the gentrification of low-income neighborhoods and the displacement of longtime residents.

The nonpartisan state Legislative Analyst’s Office noted in a 2015 report that after California’s metropolitan areas adopted zoning rules and other regulations on new development, particularly in the Bay Area, the creation of new housing in coastal cities slowed dramatically. From 1980 to 2010, the total percentage of new housing in California’s coastal metros grew by just 32 percent, compared to 200 percent during the previous three decades. In all, the report estimated that the state’s coastal metros should have added 3.3 million more units of housing than they did to keep up with population growth and demand.

“It’s a very common dynamic—of neighborhoods that are well-resourced that work to repel new housing,” said Sarah Karlinsky of the urban planning group SPUR, which advocates dense housing near major transit corridors.

Exclusionary zoning also has led to a huge financial windfall for middle- and high-income property owners, many of them white. Those fortunate enough to have purchased or inherited homes in upscale parts of the Bay Area during the latter half of the 20th century have seen their home values soar. According to the LAO, in 1970, the median home price in California’s coastal metros was 50 percent higher than the rest of the country. By 2015, it was 300 percent higher. According to real estate firm Trulia, the median home price in Rockridge as of early April was \$1.3 million. The median rent? \$5,650 a month.

Exclusionary zoning also has had grave consequences for the environment. Because of the dearth of new housing in cities, much of the Bay Area’s growth in the past 30 to 40 years took place in the region’s far-flung suburbs, with open space plowed under for single-family housing. Not only did the region lose millions of acres of natural and agricultural land in the process, but it’s also losing the fight against climate change, as motorists are forced to navigate hours-long commutes and sit in mind-numbingly bad freeway traffic.

In California, passenger vehicles are the single-largest generator of greenhouse gases, according to 2015 report from the California Air Resources Board. And living in suburbia is a major cause: According to UC Berkeley’s carbon calculator, a family of four with an income of \$120,000 that resides in the 94507 zip code of Walnut Creek in Contra Costa County produces a staggering 137 tons of carbon dioxide, on average, a year. But if that same family were to move to the 94618 zip code of Rockridge and take advantage of the neighborhood’s transit access, its carbon footprint would shrink to just 87 tons annually.

“Here in the Bay Area, one of the most important things we can do for the environment is to say ‘yes’ to more housing near job centers and near transit,” said Stephanie Reyes, chief operating officer of Greenbelt Alliance. “And many communities in the Bay Area with access to transit have a lot of opportunities for putting in more dense housing.”

Developers have long sought to build in wealthy, transit-rich neighborhoods like Rockridge and parts of Berkeley. Rents and home prices have traditionally been high enough in those neighborhoods—even during economic downturns—to support the high costs of construction in the Bay Area. Several developers interviewed for this report said they would like to build in wealthier areas—if they were allowed to do so. But many residents of those neighborhoods steadfastly oppose upzoning and dense housing projects, because they’re worried about quality-of-life impacts and their home values.

“It’s really the baby boomers who are trying to preserve what they have at the expense of their children and grandchildren,” said Michael Ghielmetti, president of the Oakland-based Signature Development Group. “From my perspective, we have two choices: We can go out into the suburbs and build on farmland, or we can build here.”

For years, developers weren’t building here much at all, because rents and home prices in downtown, Uptown, and West Oakland—areas of the city that have liberal zoning rules and allow tall, dense housing projects—were not high enough to support new construction. Developers just couldn’t generate enough money for housing projects to pencil out.

However, the bans on new housing in wealthy neighborhoods, coupled with the tech boom, eventually drove up prices throughout the region to the point that they’re finally high enough to support new housing in what had been traditionally low-income areas. Oakland currently has about 3,000 units that are approved or under construction, most of it concentrated in downtown, Uptown, and West Oakland, with another 15,000 to 20,000 units of housing in the development pipeline.



PHOTO BY PAT MAZZERA

Justin Horner wants to upzone Rockridge to allow more apartments and condos.

But all that building is also generating a backlash. At council and planning commission meetings and on social media, some longtime residents have blamed gentrification and displacement in downtown and other parts of the city on the new housing—and especially on newcomers. In April, the Flight Deck, a multidisciplinary art space in downtown, featured a play, *Overnight*, focusing on the supposed gentrifying impacts of new a high-rise built on a parking lot.

In reality, experts say there is little evidence that new housing actually causes gentrification and displacement in cities—with the obvious exception of an older building being torn down, the tenants displaced, and a new one serving wealthier residents replacing it. Instead, when new housing goes up on previously unoccupied spaces—like a parking lot—it tends to help lower the overall cost of housing in the area, especially if it's accompanied by other new housing. Most housing studies, including the 2015 LAO report, have concluded that higher costs are the result of not enough housing—not the addition of new housing. That report estimated that California's coastal metros need to build an additional 100,000 units annually to stabilize prices.

Nonetheless, there is a widespread belief that new market-rate housing in a traditionally low-income neighborhood can gentrify the immediate surroundings, especially if the city doesn't have rent control. Local residents fear that landlords will raise rents to match those of the new market-rate housing. Oakland has rent control, so concerns about new housing might be overblown—although it's worth noting that under state law, rent control in Oakland doesn't apply to housing constructed after 1983.

Regardless, gentrification and displacement in Oakland started well before the current housing boom. And it was the lack of new homes coupled with the region's economic upswing that sent prices through the roof. Well-paid millennials simply outbid longtime residents for the existing available housing, causing displacement of city residents. But housing analysts say that if wealthy areas like Rockridge, parts of Temescal, and other neighborhoods allowed new apartment buildings,

then many of the newcomers would've moved there instead.

“Ultimately, you’re going to have to bust open the single-family zoning just to deal with all the people,” said Karen Chapple, a professor of city and regional planning at UC Berkeley who has studied housing and gentrification extensively. “We can’t just build all the housing in certain areas and keep others as exclusive as ever.”

Chapple also pointed out that a substantial number of millennials who can’t find housing are not newcomers. “A lot of people who are trying to find housing in the East Bay are people who grew up in the East Bay.”

Justin Horner calls the beautiful older apartment buildings scattered throughout his neighborhood “illegal Rockridge.” While sitting in the dining room of his Craftsman home, Horner explained that these smaller, early- to mid-century buildings—triplexes, four-plexes, and those of up to about 12 units in size—are “illegal” because local residents convinced the city decades ago to ban the construction of any more of them on neighborhood streets.

“You just can’t build that anymore,” said Horner, who works for the San Francisco planning department, is a member of East Bay Forward, and is a former staffer for ex-Oakland Councilmember Jane Brunner. As a result, he added, “the neighborhood character now is exclusive and unaffordable.”

There are some new housing complexes going up in the lower Rockridge area at 51st Street and Broadway, and more approved for 51st and Telegraph Avenue. And there is new housing approved or under construction on Telegraph in the Temescal district. Plus, the Oakland City Council recently greenlighted Temescal’s first housing tower, a 25-story high-rise at MacArthur BART (although that tower required a special zoning exemption to win approval).

But building height limits greatly restrict new housing on College and Claremont avenues. On College, the height limit is 35 feet, which equates to three stories. And it’s 45 feet, or four stories, on much of both Broadway and Telegraph in Temescal. Under state law, housing developers can technically go one story higher than local zoning allows if they include affordable units. But three to five stories is still low for a city of 400,000 people and an area that has two BART stations.

In addition, the vast majority of the area’s streets—Shafter, Lawton, Chabot, etc.—are zoned for single-family homes, which means anything larger than a duplex is illegal. It’s striking to walk or bike through North Oakland and see all the small, attractive apartment buildings that are now strictly forbidden. Horner and other members of East Bay Forward say it’s past time to allow this missing middle housing again in North Oakland—and for the city to relax building heights on major thoroughfares, especially near BART.

The phrase missing middle was coined five years ago by Berkeley architect Daniel Parolek, principal of Opticos Design. Parolek describes missing-middle housing as ranging in size from townhouses and duplexes to apartment and condo complexes of up to 15 units and four stories tall. During the past several years, he has been advocating for cities that used to allow missing-middle housing to once again legalize them to create more vibrant, walkable neighborhoods. “Zoning is a major barrier in most cities,” he said. “There is so much zoned single-family only, it’s ludicrous. We need to get rid of that.”



PAT MAZZERA

Apartment buildings like this one are illegal in most areas of Rockridge and Temescal.

North Oakland Councilmember Dan Kalb said he's open to exploring whether to allow taller, denser housing within "two to three blocks" of Rockridge BART. Kalb, a proponent of smart growth—dense housing near major transit—met in March with members of East Bay Forward to hear their proposal. "I think it's a valid discussion to have," Kalb said in an interview. "I'm open to looking to see what we can do to get more housing near our key transit hubs."

But Stuart Flashman of the locally powerful Rockridge Community Planning Council is deeply skeptical about East Bay Forward's plans. He said he personally opposes changing local zoning to allow market-rate apartments or condos in Rockridge. He said taller buildings along College would make the area feel like a "canyon" because of the shadows they would cast.

However, he indicated that he would support affordable-only housing. "I wouldn't be averse to putting in a fairly dense, 100-percent-affordable project," he said, adding that he would want it to include subsidized housing for moderate-income residents as well. "We have a tremendous demand for moderate-income housing."

But building a fully subsidized housing project in Rockridge could be prohibitively expensive because of the price of land there. Housing experts say it costs up to \$500,000 per unit in public subsidies to build affordable housing.



PHOTO COURTESY OF OPTICOS DESIGN

Daniel Parolek coined the phrase “missing middle.”

During an interview, Flashman also repeatedly pointed to parking as the No. 1 reason to oppose upzoning Rockridge. “If people didn’t have cars, density would be fine,” said Flashman, a land-use attorney who has often represented the Sierra Club in litigation. “The cars are the problem.”

But UC Berkeley’s Chapple and transportation experts note that millennials are much less likely to drive or own cars than previous generations and that fears about parking and traffic in transit-rich areas are rapidly becoming outdated. “The world is changing,” said Chapple, who also serves on the Berkeley Planning Commission. “People are not relying on automobiles in the same way. And we’re starting to have a conversation about reducing the amount of parking we demand and use that space instead for people.”

In recognition of this demographic shift, the Oakland City Council voted last year to relax parking requirements for the first time since the ’60s. The city eliminated parking requirements in downtown and eased them near most transit hubs. The city also “unbundled” parking from housing, meaning that it’s now legal to charge tenants who require parking more rent than is paid by those who do not.

Developers, transit experts, bike advocates, tenants’ groups, and environmentalists praised the city’s parking reforms, noting that requiring less parking not only discourages car use, but also helps reduce the cost of housing, while freeing up space for more housing units. However, transit advocates note that Rockridge still has regressive parking rules. Multifamily housing in the district still requires one parking space per unit.

Oakland is on the cusp of relaxing parking rules for secondary units—also known as granny flats or

backyard cottages—in Rockridge and elsewhere to coincide with a new state law, said Ed Manasse, strategic planning manager of the Oakland Bureau of Planning. Under the new regulations, which the council was expected to approve in April, the addition of a secondary dwelling would require no additional parking within one half-mile of a transit stop. “That’s basically everywhere in the city,” Manasse said.

Jennifer West, senior program manager at GreenTRIP, which advocates for environmentally friendly development and is a project of the group TransForm, noted that if Rockridge were to upzone, it could relieve parking concerns by encouraging developments to have a mix of market-rate and affordable units. Research has shown, she said, that low-income residents are more likely to take transit than high-income residents and that low-income residents are less likely to drive than high-income residents. “There is a benefit to the neighborhood to build affordable units,” she said.

Members of East Bay Forward support mixed-income housing projects. And they say more backyard cottages in Rockridge and Temescal would represent a good first step toward reducing some of the demand for housing. But restoring the missing middle in wealthy, transit-rich neighborhoods would help relieve the housing crisis more efficiently.

Kalb, who is now exploring a run for state Assembly in 2018, said he understands the resistance in Rockridge and the fears about parking but hopes that residents will see the bigger picture. “Not to dismiss people’s concerns ... but my concern is that we want families to live near where they work, and Oakland is a logical place,” he said. “And we need to be welcoming to those folks so that they don’t move to Vallejo, Brentwood, and Tracy. Long commutes are a horrible environmental problem.”

So where would Flashman build dense housing in Oakland if not in Rockridge and Temescal?

“There’s a lot more room in downtown,” he said.

During the past several years, wealthy NIMBYs in Berkeley who oppose new housing have formed a political alliance with left-wing progressives who advocate for more affordable housing and believe market-rate development causes gentrification and displacement. The coalition swept into power last November, winning the mayor’s office and a majority of the city council. Ever since, new housing projects, especially proposals for market-rate development, have been met with fierce opposition.

A similar political alliance formed years ago in San Francisco, but it has yet to coalesce in Oakland. Pro-housing activists are wary that it could, however, if the backlash against newcomers and the housing construction in downtown, Uptown, and West Oakland intensifies.

Advocates like Victoria Fierce, who is now a full-time pro-housing activist, are determined to prove that they’re not “gentrifiers” or “techie scum” or “shills” for developers but, rather, are progressives. Many of them were Bernie Sanders supporters, and they’re staunch advocates for traditional progressive values, such as universal health care, environmental protections, rent control, and services for the homeless.

And through the #UpzoneRockridge campaign, they hope to show other progressives that walling off wealthy, predominantly white areas from new housing is not only inequitable, but it also exacerbates the housing crisis for everyone else. It contributes to housing being absurdly expensive and to forcing more people each year to hand over a larger share of their earnings to landlords. According to the 2015 LAO report, low-income households in California spend, on average, 67 percent of their wages on housing. The median nationwide is 23 percent.

“The people who push housing into other neighborhoods,” Fierce said, “are the real gentrifiers.”

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California's Legal Assault On NIMBYs Begins

Over 100 bills aim to fix the state's severe housing crisis, including many that would crack down on developers and communities that aren't doing their part.

SARA LIBBY | [@SaraLibby](#) | May 9, 2017 | [83 Comments](#)



Construction workers build a single-family home in San Diego. (Mike Blake/Reuters)

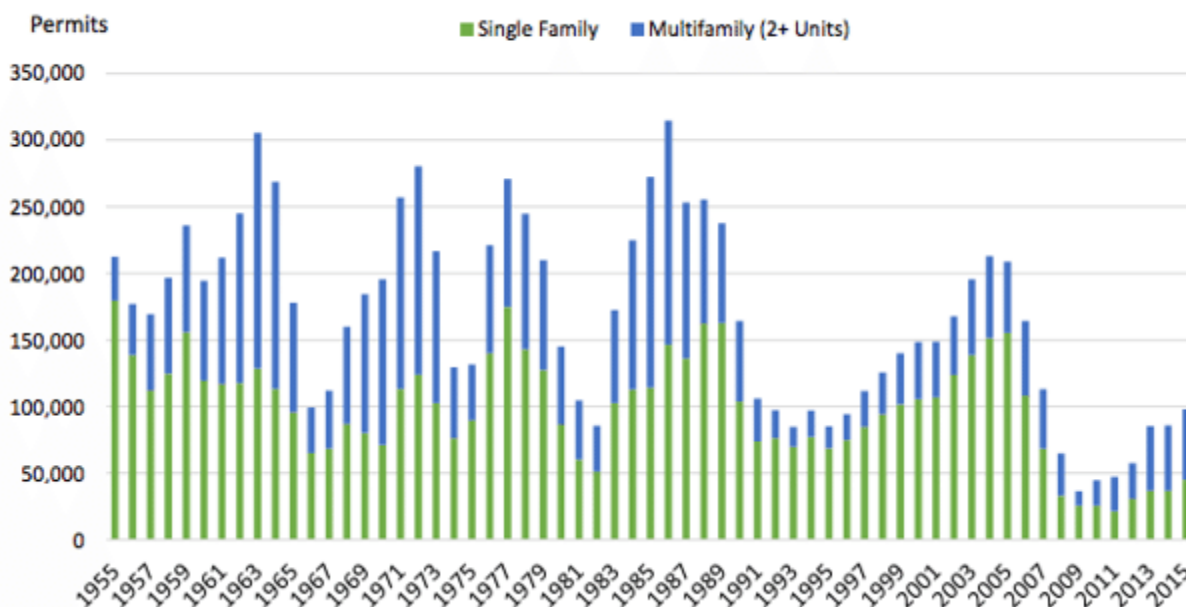
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California Democrats are uniting against a common enemy who they believe is making residents miserable and imperiling the state's future. The target: NIMBYs across the state who continually shoot down new housing projects, and the localities that bend to their will.

There are more than 100 bills before the California Legislature that address [the state's housing crisis](#), and a large share of them would crack down on communities that don't do their part by facilitating the construction of new homes.

A California Department of Housing and Community Development [report](#) published earlier this year paints a dire picture: Home ownership rates are at their lowest numbers since the 1940s; homelessness is high. Existing homes cost far too much for low-income and even middle-income residents. But the report focuses most of its attention on the homes that don't exist yet.

"In the last 10 years, California has built an average of 80,000 homes a year, far below the 180,000 homes needed a year to keep up with housing growth from 2015-2025," the report says. "Without intervention, much of the population increase can be expected to occur further from job centers, high-performing schools, and transit, constraining opportunity for future generations."



Annual housing production in California from 1955 to 2015. (Data: Construction Industry Research Board/California Homebuilding Research Reports 2005, 2013, 2015. Graphic: California Housing and Community Development)

Dozens of the solutions floating in the state Legislature aim to address that supply problem, including several that would streamline the process by which housing projects get approved (one, for example, would limit the circumstances in which a special permit could be required to build [a granny flat](#)). Others would not-so-subtly make it much harder for local residents and government agencies to block new projects, like by [requiring a two-thirds vote](#) for any local ordinance "that would curb, delay, or deter growth or development within a city."

That latter bill epitomizes the frustration many young working people and families have as they try to attain what was once a milestone of adulthood —homeownership—that is now out of reach for even those making decent money. Some of those folks are YIMBYs, or supporters of a "Yes in My Backyard" agenda. "We know that our housing struggles are not the result of impersonal economic forces or lack of individual effort, but derive from bad policy and bad laws that have restricted housing growth for decades," said YIMBY leader Brian Hanlon, co-founder of the California Renters Legal

Advocacy and Education Fund, at an April Assembly committee hearing.

California already has several laws on the books aimed at nudging localities to greenlight housing construction. One, the Housing Accountability Act, is even known as the Anti-NIMBY Act. But localities and residents have found ways around them. Many of the current proposals on the table either close loopholes opened by local governments, or add teeth to measures that some cities or neighborhoods have long ignored. A bill to strengthen the Housing Accountability Act, for instance, would even allow a court to authorize punitive damages against cities that act in bad faith. Another would set aside funds specifically for the state attorney general to enforce existing housing laws.

Democratic Assemblyman Richard Bloom, who represents several upscale Los Angeles neighborhoods including Santa Monica and Beverly Hills and who has written a package of housing bills, says many of the solutions that address localities aren't meant to be antagonistic. "I think many in our local communities are very appreciative of clarifications. They recognize that things have gotten out of hand, and they're not the right agencies to provide the clarity that we provide at the state level," he says. "There are times, particularly in a time of crisis, that the state needs to step in and provide a better sense of expectations for local governments."

Many dismiss the individual bills as a drop in the bucket. "But on the other hand, let's put a drop in the bucket. A drop is better than a drought."

Counterintuitively, some local officials might secretly crave punitive measures,

says Dana Cuff, a professor of architecture and urban design and director of cityLAB-UCLA. "Because the most vocal and organized housing cohort is often a conservative one, city councils and local administrators have a hard time fulfilling their obligation in terms of providing more housing," Cuff says. With state enforcement, she adds, "the local administrators will have a means to argue back that they have to do this or they will be punished."

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Other bills being floated, though, are more carrot than stick. One, written by San Diego Assemblyman Todd Gloria, would allow local housing authorities, which typically deal solely in affordable housing, to earmark some units in new projects for middle-income residents. Residents might be less likely to rally against a new project, the thinking goes, if it means their new neighbors will be teachers and firefighters in addition to those receiving housing subsidies.

During the recession, many market-rate projects that had been OK'd were abandoned by cash-strapped developers and converted into affordable housing projects because the government was the

only entity doing any building. The community's reception of a market-rate project compared with the same project when it became an affordable housing project was noticeably different, says Gloria, who was a San Diego city council member at the time.

"Whatever reason that might be, it could just be a pure no-growth approach or it could be a true fear of what affordable housing is perceived to be—and it's never what it really is—maybe this [bill] is a way to address that," he says.

It's unclear what the chances for each bill are. Though legislators seem eager to

spur more housing construction quickly, some of their allies might not be. Many environmentalists, for example, want new projects to comply with [CEQA, the state's landmark environmental law](#) that requires developers to study and possibly mitigate the environmental impact of whatever they build. And developers are never quick to embrace mandates that they include affordable units in their projects.

If the bills do pass, will any of them actually make a dent in what's become a crippling problem all across the state? The Sacramento Bee's Dan Walters recently [wrote off the current proposals](#) in the Legislature as "tepid, marginal approaches that would do little to close the gap." Cuff admits many critics dismiss individual bills as a drop in the bucket. "But on the other hand, let's put a drop in the bucket," she says. "A drop is better than a drought."

Smaller, incremental solutions are also more likely to go over well with wary residents, as opposed to sweeping mandates that would never be implemented, Cuff says.

Bloom cautions that even if an explosion of housing production suddenly takes off, it will still take a long time for it to make a meaningful impact. Lawmakers also need to focus on solutions that can take the burden off of residents right away, he says, such as repealing certain restrictions on rent control.

"Even if I waved a magic wand today and we were to double our current housing production around the state, it would take us a minimum of 10 years to catch up," he says. "I think that we need to give thought to the circumstances that tenants are facing today and see if there isn't a way in which we can provide some immediate relief."

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[The New Suburban Crisis](#)

East Bay Times

EBMUD proposes 19 percent water rate increase over two years

By [Denis Cuff](#) | dcuff@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: **May 9, 2017** at 3:19 pm | UPDATED: May 10, 2017 at 10:36 am

OAKLAND — East Bay water customers would see rates rise 19 percent over the next two years under a proposal announced Tuesday.

The East Bay Municipal Utility District said the increase is needed to more quickly replace old pipe, upgrade treatment plants and offset reduced water use by customers.

The district proposes a 9.25 percent increase to take effect July 12 and another 9 percent increase to go into effect on July 1, 2018. Compounded, the increases amount to nearly 19 percent over two years for the district's 1.4 million residents in Alameda and Contra Costa counties.

About 35 percent of the water rate increase is needed to replace and fix old equipment, including 15 miles per year of aging pipe — some of it more than 90 years old, said Jenesse Miller, a water district spokeswoman.

About 30 percent of the rate increase in the coming year is to offset the higher-than-expected rate of customer conservation that is leaving the district with less revenue, she said.

The average EBMUD household used about 250 gallons of water per day before the drought began about six years ago. Now the average use is about 200 gallons per day.

“We appreciate our customers’ conservation efforts, and they should not feel they are being penalized for saving,” Miller said, “but reducing your water use doesn’t always mean your bill is going to go down.”

The district has a post-drought dilemma facing many California water districts. Because most water districts’ costs are fixed regardless of how much water they deliver, customers conservation habits learned during the drought are leaving the district with less revenue than expected.

Under the proposed increase, an average EBMUD single family home using 200 gallons per day would see its monthly bill rise from \$47.15 to \$51.49, or an increase of \$4.34 a month.

District administrators propose to raise the water system budget from \$733 million in the current fiscal year to \$863.9 million next year, a 17.9 percent increase.

Among the higher costs in the new budget are \$3 million to establish a program to test drinking water in schools for lead.

The water board agreed Tuesday to schedule a public hearing on the two rate increases in consecutive years for 1:15 p.m. July 11 at district headquarters in downtown Oakland.

During the drought, the district helped avoid financial trouble by levying a 25 percent emergency surcharge on water bills, but the district agreed to drop that surcharge last July after near normal rainfall in the winter of 2015-2016 eased shortages.

In a related money matter Tuesday, the district proposed a five percent increase in wastewater rates in each of the next two years in its sewage service area, which includes some 680,000 East Bay residents.

East Bay Times

Walnut Creek chooses new city manager, will vote soon on contract



City of Walnut Creek

The Walnut Creek City Council is expected to approve a contract for newly chosen City Manager Dan Buckshi at its May 16 meeting.

By [Sam Richards](#) | srichards@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: **May 12, 2017** at 9:59 am | UPDATED: May 14, 2017 at 2:42 pm

WALNUT CREEK — The city is set to hire a veteran San Luis Obispo County administrator to become its next city manager, and his contract could be approved as soon as Tuesday night.

Dan Buckshi, currently San Luis Obispo's county administrative officer, was selected to fill the vacancy created with the departure late last year of Ken Nordhoff, who had been Walnut Creek's city manager for six years. Buckshi was selected during a closed session City Council meeting Thursday night. The council is expected to approve Buckshi's contract — which calls for a \$254,000 annual salary — Tuesday night.

Buckshi has been with San Luis Obispo county government since 2002, when he joined as an administrative analyst. He was promoted to budget director in 2006, to assistant county administrative officer in 2010 and to county administrative officer in 2012. His annual salary there is \$239,000.

In a statement Friday morning, Walnut Creek Mayor Rich Carlston said he and other council members were impressed with Buckshi's collaborative style and diverse experience in local government administration, and for building consensus among decision-makers. "Dan has a wealth of experience that would complement our already exceptionally strong organization," Carlston said.

Buckshi has a master's degree in public policy from Cal Poly San Luis Obispo; he and wife Kristen have two daughters.

Nordhoff had announced in October he was leaving the city manager's job for a position in the "private sector." His last day was Dec. 30. Assistant City Manager Fran Robustelli has been serving as interim city manager and will return to her previous position in August, said Gayle Vassar, Walnut Creek's communications director.

Nordhoff ran into trouble in 2013, during an investigation of a case of a part-time usher coordinator at the city's Leshner Center for the Arts who sent a 13-year-old inappropriate social media messages. Nordhoff was determined to have impeded the probe by evading questions and not telling police what he knew about the case.

Nordhoff survived that episode. And though he had strained relations with at least one council member the rest of his stay in Walnut Creek, other council members have praised him for his financial and economic development acumen — two areas for which Buckshi was praised down south.

Buckshi, too, had strained relations with some members of his board, in his case the San Luis Obispo County Board of Supervisors. Supervisors Adam Hill and Bruce Gibson both issued statements Friday alleging that the respected and well-liked official is leaving, at least in part, because of poor treatment by other board members. Two of those other supervisors on Friday denied assertions they mistreated Buckshi, according to the San Luis Obispo Tribune newspaper.

"I think the people in Walnut Creek are quite lucky; our loss is their gain," Hill said late Friday, praising his ability to take complex budget and management data and make it understandable to county supervisors and the public. "He's likable but tough when he needs to be. He's the real deal."

In a statement released Friday morning, Buckshi praised San Luis Obispo County workers. "However, the current Board of Supervisors is very different than the board that promoted me" five years ago, he said in the same statement.

San Luis Obispo Tribune reporter Monica Vaughn contributed to this report.

East Bay Times

Guest Commentary: Unequal funding of fire districts could be sign(s) of the times

By [Bryan Scott](#) |

PUBLISHED: **May 15, 2017** at 10:56 am | UPDATED: May 15, 2017 at 11:16 am

A short while ago those of us working to correct the inadequate funding of local fire and emergency medical services received an interesting email from an area resident, someone who had not been heard from before.

“Hi,” the email began. “I am a resident of Trilogy with lots of medical issues. I’ve been listening and reading and voting for change, and I came up with another approach.”

“What if the citizens collected enough cash to rent a billboard at the entrance to Brentwood, (and posted) some verbiage that included a message to new home buyers to ask their builder about fire response?”

Imagine, if you can, a bright red sign saying “WARNING: Entering a Public Safety Danger Zone! EMS and Fire Services inadequately funded! Proceed at your own risk!”

Maybe a skull-and-crossbones symbol added for emphasis.

East Contra Costa County has two major access routes. Highway 4 from the west and Vasco Road from the south are the two most-used routes.

These routes are probably used by three-quarters of those who enter the jurisdiction of the East Contra Costa Fire Protection District (ECCFPD), the agency charged with providing basic life support and fire services to over 250 square miles.

There is a bright LED billboard flashing alongside Highway 4 in Antioch. Brentwood attorneys use it to attract clients, as do public health agencies and the local bus company.

A string of old-school wooden billboards sits along Vasco Road. Anyone who has driven from Livermore to East Contra Costa has seen the signs. The cost to place a message on one of these signs is less than \$300 per month.

Two days after the first message arrived, this same concerned resident sent another email.

“Hi. Just wanted to share that (spouse) and I attended a party to play cards last night. We had six couples, all from (our community), and they are on board to contribute toward the billboards,” the resident said.

“They all indicated it would be so easy to solicit funds for this endeavor. I asked them to hold off until after ... I hear from you,” the resident’s email said.

The underfunding of fire and emergency medical services is not new. As far back as 2001, 16 years ago, the CCC Board of Supervisors saw the current public safety crisis coming.

The supervisors commissioned a consultant and used that report as justification to consolidate three volunteer fire districts into one. No changes were made to funding the fire district.

This allowed residents in one part of the county to have fire and EMS funding at \$366 per person per year while the same services in East County are funded at \$106 per person per year.

Response times would improve, the Board of Supervisors said, and there would be nearly a million dollars in savings. The Board of Supervisors, not the residents of the fire districts, voted to combine the fire agencies.

The California Legislature, in not incorporating flexibility into the method it distributes property tax funds, has failed the citizens of East County and one of the fastest-growing areas of the state.

The County Board of Supervisors, in not taking a leadership role in adjusting property tax distribution, has failed the citizens of East County.

The city councils of Brentwood and Oakley, in not taking action to correct the ECCFPD structural funding problem, have failed the citizens of East County.

Maybe it is time for citizens to put up a warning sign.

Bryan Scott is a Brentwood resident and co-chair of East County Voters for Equal Protection, a nonpartisan 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 www.facebook.com/EastCountyVoters.

East Bay Times

Housing crisis causes legislative avalanche: 130 bills proposed in Sacramento



A mixed-use project with 185 apartments goes up in Fremont's Centerville district. State legislators have proposed around 130 bills to jump-start new housing construction and tackle affordability issues. (Joseph Geha/Bay Area News Group)

By [Richard Scheinin](#) | Bay Area News Group

PUBLISHED: **May 17, 2017** at 7:00 am | UPDATED: May 17, 2017 at 10:22 am

Home prices keep rising to shocking levels around the Bay Area, while rents remain out of sight. Now, state lawmakers in Sacramento are responding with a torrent of proposals.

Legislators have introduced about 130 bills to address what has become a statewide housing crisis. The sheer quantity “is unprecedented,” said Jason Rhine, legislative representative for the League of California Cities.

“I don’t think anyone can recall a time when we’ve had this many bills on housing — or on any one thing, period,” he said.

The legislative avalanche — bills to mitigate affordability concerns, boost housing production and protect tenants — demonstrates that the “crisis has reached its head,” said Assemblyman David Chiu (D-San Francisco).

“In the Bay Area in recent years, we’ve had the highest home prices, the highest rents and the highest eviction rates in the country. But now ... every pocket of California is experiencing this crisis,” he said.

California has the sixth largest economy in the world, Chiu said, adding that the state’s poverty rate is the highest in the country — 20.6 percent, when housing costs, medical expenses and taxes are factored in, according to the U.S. Census Bureau. And while the state used to invest \$1.7 billion annually in affordable housing, those funds have vanished due to the expiring of

bonds passed to address the problem in 2002 and 2006 and the dissolving of redevelopment agencies about five years ago amid the state's fiscal crisis.

The state Department of Housing and Community Development calculates that California on average built 80,000 homes annually over the last decade – but needed to build 180,000 each year to keep pace with demand. Now, homeownership levels have fallen to 54 percent, their lowest point since the late 1940s, and the cost of housing — \$1,050,000 for a median-priced single-family home in Santa Clara County — is pricing out many middle-income earners.

With job growth dwarfing housing production in the Bay Area, the crisis is “most egregious” here, said Matt Regan, senior vice president of public policy and government relations for the Bay Area Council. A March poll by the council showed that 40 percent of Bay Area residents are considering moving away because of costly housing and congested roadways.

Ask Max Pitts, 26, recently hired as an account manager at Twitter in San Francisco, earning about \$50,000 a year. His parents “are executives in the tech world,” he said, “and my mom told me, ‘Work for Twitter for five years, try to get transferred and get the heck out of California.’”

Asked if he expects to ever buy a home in the Bay Area, the Dublin, California, native laughed and said, “No — are you serious? When I was younger I thought I would be able to live in Danville or Walnut Creek... And then all of a sudden ... reality starts to flip.”

For now, he's living with his parents in Dublin because he finds renting an apartment with his income is close to impossible.

The scores of bills introduced to tackle the state's housing crisis fall into several categories.

Increasing funding for affordable housing

Chiu, who chairs the Assembly Committee on Housing and Community Development, authored Assembly Bill 71, which would eliminate the state mortgage interest deduction on second or vacation homes. Such deductions result in an annual revenue loss to the state of about \$300 million, Chiu said. The bill would redirect the \$300 million a year to affordable housing.

Senate Bill 2, penned by Sen. Toni Atkins (D-San Diego) would impose a \$75 recording fee on real estate documents, excluding property sales — and generate an estimated \$150 million to \$300 million a year in revenues.

If implemented, those funding sources potentially would be augmented by the proposed Senate Bill 3, from Senator Jim Beall (D-Campbell), which would put a \$3 billion bond for affordable housing production on the 2018 ballot.

Streamlining approvals for homebuilding projects

The need to jump-start residential construction is critical in the Bay Area, Regan said: “We need to create one new housing unit for every 1.5 new jobs. But we’re creating only one housing unit for every 4.5 new jobs. So it’s clearly not sustainable.”

To address the imbalance, state Sen. Scott Wiener (D-San Francisco) designed Senate Bill 35. It would require many local governments to say “yes” to new housing in areas zoned for high-density development so long as developers include some affordable units. Senate Bill 167 from Sen. Nancy Skinner (D-Berkeley) would add teeth to existing state law that hinders cities from blocking affordable housing projects.

Promoting availability of affordable rental units and protecting tenants

Chiu and Assemblyman Richard Bloom (D-Santa Monica) helped write Assembly Bill 1505, allowing local governments to insist that developers include more affordable units in their projects. They also authored Assembly Bill 1521, designed to keep aging affordable housing from being re-marketed at higher prices after their “affordable” status has expired.

Also authored by Chiu, Assembly Bill 291 would prevent landlords from evicting tenants based on immigration status. “This bill is really important in the current political climate,” said Daniel Saver, senior attorney for the housing program at Community Legal Services in East Palo Alto. “It would clarify and strengthen protections for immigrant tenants.”

How much Gov. Jerry Brown — who has been at odds with the legislature’s approach to past efforts at housing reform — will get behind the many new proposals is up in the air.

Still, Saver said, “If we get a fair number of these bills to move forward and become law, we may actually move the needle.”

Staff writer Katy Murphy and the Orange County Register contributed to this article.

East Bay Times

Group seeks to advertise East County's fire risk on billboards

By [Aaron Davis](#) | aarondavis@bayareanewsgroup.com | Bay Area News Group
May 18, 2017 at 9:08 am

BRENTWOOD — A coalition of concerned residents are moving forward with a plan to advertise a “warning sign” for East Contra Costa County’s inadequate fire funding.

The group is looking to raise \$1,770 for six months of a billboard advertisement that would say “WARNING: Entering a Public Safety Danger Zone! EMS and Fire Services inadequately funded! Proceed at your own risk!”

Some also want to add a skull and crossbones for extra emphasis.

The billboard location, or possibly locations, would be along major access routes into the East Contra Costa Fire Protection District’s 240-square-mile coverage area: Vasco Road and eastbound Highway 4.

The idea originated with a civic-minded Brentwood resident, Peggy Hart, who passed away in late April.

“She was a great person who cared about others and she was also a practical person,” said Greg Hart, husband of Peggy Hart. “She was pretty into (this idea) and they were talking about all the developments going up and that there wasn’t adequate fire service to begin with.”

In May, the state’s [Department of Finance released data](#) placed Brentwood’s population growth at 3.38 percent in 2016, which made it the fourth fastest growing city in the Bay Area and the 10th fastest in California in 2016. Oakley placed eighth in the Bay Area and 45th in the state with the population growing 2.16 percent.

“Peggy and several of her friends were playing cards and it just popped into her head and she said ‘we should put up a sign’,” said Kris Christensen, who took over organizing funds for the billboard following Peggy’s death. “We’re all so frustrated that nothing is getting done.”

Christensen said she can be contacted at krischris48@yahoo.com for any questions on their group.

The East Contra Costa Fire Protection District’s funding problem has been a topic of debate in Brentwood, Oakley, Discovery Bay and many towns within East Contra Costa County for over a decade.

Over the last four years, voters within the district have shot down three attempts at raising additional revenue through taxes. On July 1, the district will close Station 94 in Knightsen, bringing the area back down to three fire stations: one station in southwest Brentwood, one station in central Oakley and one station in Discovery Bay.

The goal, for the group, is to make new homeowners aware of what they are buying into, and to emphasize what it will cost, in both lives, insurance and home value.

The Insurance Services Office classifies fire service in a community on a scale from 1 to 10, with 10 being the worst. Areas in the district qualify for either a 4 or a 10. If a home is five miles from a fire station and within 1,000 feet from a fire hydrant, then it qualifies for a 4.

Nancy Kincaid, press secretary for the California Department of Insurance, said that there are no laws that require insurance is affordable, but only that it is fair, adequate and justified.

“Companies can set their rates, based on modelling and it may be that they can justify the rates because the risk has changed so dramatically,” Kincaid said. “They write down how far you are from a fire station, how far from a fire hydrant, how many stations there are... proximity to fire protection is very important.”

Kincaid said that most buyers look for homes with curb appeal, a good school and low crime, but that people should also look at the cost of insurance before they get hit with “sticker shock” on the price.

Residents can look through the California Department of Insurance’s homeowner comparison tool by going to <http://bit.ly/CAinsurance>. Kincaid also recommends that homeowners read their exclusions and consider making home improvements, such as enclosed eaves, a fire-resistant roof, or tempered glass windows.

LAFCO Wants Seat at Table in Plan Bay Area 2040

Posted: **Thursday, May 18, 2017 12:00 am**

Alameda County Local Agency Formation Commission (LAFCO) will be sending a letter in conjunction with other LAFCO government bodies during the comment period concerning Plan Bay Area 2040.

Alameda County LAFCO met May 11 in Dublin to hear a report from Executive Director Mona Palacios about the importance of sending the letter. There was no vote, and little discussion. The topic had already been discussed by the board's budget and policy committee. Panel members include Livermore Mayor John Marchand, Castro Valley Sanitary District Director Ralph Johnson, and Tom Pico, the alternate member for the public on LAFCO.

Plan Bay Area 2040 will be proposing major projects for Bay Area growth that includes development of transportation infrastructure and housing. The goal is to help with compliance of the 2006 law requiring the reduction of greenhouse gases.

The plan is led jointly by MTC and ABAG. The draft of the EIR for the plan has been run past city councils and county supervisors in the Bay Area. However, LAFCOs have been left out of the discussion, although they have a key decision making role in regard to providing municipal services for the Bay Area's growing population, said Palacios.

LAFCOs decide about whether open space and agricultural land will become developed, said Palacios.

The letter will ask that LAFCOs be kept in mind every step of the way so that they can comment on the ongoing progress of Plan Bay Area 2040. Other counties joining Alameda in sending the letter are Contra Costa, San Mateo and Marin.

The Sacramento Bee

Most California farm-water suppliers are breaking this law. Why doesn't the state act?

By Ryan Sabalow and Phillip Reese

rsabalow@sacbee.com

May 21, 2017

During [California's epic five-year drought](#), most of the state's irrigation districts didn't comply with a 2007 law that requires them to account for how much water they're delivering directly to farmers, a Bee investigation has found.

State regulators are largely powerless to stop them, but they don't seem too bothered by it. They say they'd rather switch to a different form of reporting.

Farm-advocacy groups say irrigation districts have been bombarded with a confusing slew of state and federal laws and regulations that often have overlapping reporting requirements, so it's no wonder their compliance rates are low.

"I'm not surprised there's confusion in this among districts on what their requirements are because it's been a moving target going back to '07," said Mike Wade, executive director of the [California Farm Water Coalition](#). "There have been so many changes and so many things being asked of them."

A decade ago, California lawmakers passed [Assembly Bill 1404](#) with the goal of keeping better track of farm-water use in a state [where some 80 percent of the water used by people goes to agriculture](#). The law called for collecting "farm-gate" data to allow the state to monitor surface water delivered to farmers' irrigation ditches. The idea was the reports could help regulators and the public better understand how much water is being used and where it's going.

[The law is explicit](#): Any water agency must file the reports with the Department of Water Resources if it supplies at least 2,000 acre-feet of surface water to farms or if the district serves 2,000 or more irrigated acres.

Ten years later, the state's data is so full of holes that it's effectively useless.

Some districts say they don't have to follow the law, so they ignore it. Some say they had no idea they even had to comply. No state agency keeps a tally of how many districts fall under the law's requirements. Because water districts self-report, the only way to know they're required to file with the state is when they choose to submit records. The law doesn't allow the state to issue fines for noncompliance.

The Sacramento Bee analyzed the filings made from 2012 through 2015 by 123 of the largest irrigation districts, the ones reporting use of more than 10,000 acre-feet of water.

During the heart of California's drought, just 24 of the 123 water suppliers reported each of the four years, and several of those appear to have turned in reports with incomplete data.

Most districts reported just once or twice – or not at all.

The low compliance rates frustrate environmentalists. They say the data is among the few publicly available sources of information that could be used to track California's largest water users with any sort of precision.

“It's important for the public to know how the state's water resources are being used,” said Laura West of the Natural Resources Defense Council. “The fact there's no incentive to turn (the reports) in or no penalty for not turning them in, it seems like it should be fixed.”

Responses varied when The Bee asked some of the districts that didn't file farm-gate reports at various times during the drought to explain why they chose not to.

Imperial Irrigation District in Southern California [boasts on its website](#) that its 3,000 miles of canals and drains make it the largest irrigation district in the nation. The agency filed a report in the 2012 fiscal year saying it supplied 2.6 million acre-feet of water – more than twice the size of a full Folsom Lake.

But the district didn't file any reports during the drought years that followed. Spokeswoman Marion Champion said that after filing the first report, the district had an “internal discussion” and determined it was exempt from the requirements.

Marty Berbach, a senior environmental scientist at DWR who oversees the farm-gate reports, said he's “not aware” of the exemption Champion cited.

Byron-Bethany Irrigation District in the southern Sacramento-San Joaquin Delta supplies water to nearly 30,000 acres of cropland, [according to its website](#). Yet the agency didn't report any farm-gate data during the drought.

In a written statement, spokesman Nick Janes said the agency has “aggressively worked” over the years to improve its agricultural water accounting and reduce its water use. He said the agency regularly submits water-use data to the state and will submit data from “farm-gate deliveries in the future.”

Berbach said that a few years ago he sent a mass mailing reminding agencies of the law.

Many of them responded by saying, “ ‘Oh, my gosh, I completely forgot about this,’ ” Berbach said. At least one had their lawyer call Berbach and threaten to sue.

“I said, ‘No, no, no, look at the water code,’ ” Berbach said. “There was this long pause. (The lawyer said,) ‘OK, I’ll go look at the water code.’ There is a lack of information and understanding.”

DWR does require agencies to complete the farm-gate reports when they apply for grants or loans. But Berbach acknowledges that during the drought, the state hasn’t made much of an effort to get irrigation districts to otherwise comply.

The reporting requirements have “fallen down on our priority list,” he said.

Instead, Berbach said, his agency has focused on what he describes as more comprehensive water-reporting requirements championed by Gov. Jerry Brown.

During the drought, [Brown issued an executive order](#) that temporarily required any irrigation provider serving an area larger than 10,000 irrigated acres to complete a comprehensive agricultural water management plan. Districts larger than 25,000 acres already were required to have those plans. The management plans include what are called “water budgets” that take into account such factors as groundwater use and recharge, precipitation and surface water.

Berbach said there is legislation pending that would make the governor’s requirements permanent.

“I think it’s much better,” Berbach said.

Ben Chou at the Natural Resources Defense Council agrees that the more holistic tracking envisioned in a water budget is a noble goal, but many water agencies are years away from being able to accurately track things like groundwater recharge. He said there’s still an urgent need to have fully completed farm-gate data to better know how agriculture is divvying up its massive share of the state’s surface water.

Chou and West support [Assembly Bill 1667](#) pending in the California Legislature because it includes provisions requiring the farm-gate reports to be posted online. Currently, they’re only available after being requested through DWR. Environmentalists hope the extra public scrutiny will prompt more irrigation districts to comply.

AB 1667 is separate from the governor’s legislation, [a trailer bill attached to the budget](#).

Wade of the Farm Water Coalition points to the two pending laws with different requirements as further proof of how confusing all this can be to irrigation districts.

“They’re trying to catch up with the past, and the future is already running them over with a new set of requirements,” Wade said. “It would be nice if the clock would stop at some point, and we can all agree on what the state needs to have.”



Little Hoover Commission Chair Encourages District Leaders to Engage Public

Last week, a record 226 special district leaders participated in Special Districts Legislative Days.

Attendees also took the message of special districts to the State Capitol, sharing two new [Districts Make the Difference informational pieces](#) with legislative offices and asking legislators to support [Assembly Bill 979](#). However, the highlight of the event was the second day's keynote speech by Little Hoover Commission Chair Pedro Nava.

Nava overviewed the role of the Little Hoover Commission and its process in reviewing special districts. He emphasized the bi-partisan nature of the Commission and the diverse background of the current Commissioners. Due to its composition, he explained, the Commission's recommendations can reflect different viewpoints than partisan political establishments.

Most significantly, Nava spoke to the opportunity for special district leaders to raise the level of awareness and understanding about special districts, both in their community's and amongst policy-makers. A message that, "if you don't tell your story, someone else will," emerged throughout several speeches during the two-day event.

Following his speech, Nava answered questions for nearly a half-hour, then stayed around for another twenty minutes speaking with attendees in the hall. Among the questions Nava received was one about the cost and challenges special districts face working through onerous State permitting regulations. Nava noted that the Commission will be including a section on this issue in an upcoming report.

The Little Hoover Commission will next hold a "roundtable" meeting in June to work through its remaining questions and final discussion points concerning special districts. The Commission will invite a select number of witnesses to participate in this meeting, and CSDA will be in attendance on behalf of all special districts.

Special districts looking to engage with the public and share about special districts are encouraged to visit www.DistrictsMakeTheDifference.org and join CSDA's public outreach campaign.

[California Special Districts Association](http://CaliforniaSpecialDistrictsAssociation.org) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



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Water Deeply

How One Water Agency Thrived During California's Drought

Leaders from Moulton Niguel Water District in Southern California explain how they used a combination of tools, including data analysis, budget-based rates and communication changes, to successfully weather the drought.

Written by [Tara Lohan](#) Published on σ May. 25, 2017 Read time Approx. 6 minutes



In June 2015, Rogalio Chavez of JW Landscape helps remove grass from Suzuki's headquarters in Brea, Calif. In the past three years, Moulton Niguel Water District removed about 5 million square ft of turf, about 25 percent of all the turf that was removed in Orange County. *Mindy Schauer/The Orange County Register via AP*

Now that California has come through the worst of its recent five-year drought, it's time to take stock of what went wrong and right. [Moulton Niguel Water District](#), which serves 170,000 people in Orange County with water, wastewater and recycled water services, insists it didn't just survive the drought, but thrived.

The district saw per capita water use fall and saw an improvement in the water efficiency of its customers. Moulton Niguel changed its outreach strategy to use more electronic communication with customers and is now piloting a program that allows customers to monitor their usage through a mobile app.

But one of the most helpful things was a budget-based rate structure put in place in 2011 that promoted efficiency and reinvested the money generated by customers' inefficient water use back into the community to foster more water efficiency programs.

To find out more about what the district did, Water Deeply talked to Joone Lopez, Moulton Niguel Water District's general manager, and Drew Atwater, director of planning.

Water Deeply: What did you do that allowed you to thrive through the drought?



Joone Lopez is the general manager of Moulton Niguel Water District, which serves 170,000 people in Orange County. (Courtesy of Joone Lopez)

Joone Lopez: We really worked hard to think creatively and innovatively about how to make sure we're prepared for dry conditions coming back to California and how we can be prepared for it financially.

One of the things we did was really dig into the data. Without good data, you don't really know how well you're doing, and you don't really know how to improve because there's really not an evaluation tool that defines what's working, what's not and what are the areas that need improvement. But we had that information, so we knew how to evaluate programs, we knew how to understand what works, what doesn't.

One of the earliest things we did was, when the state initiated its two-day-per-week watering restrictions, we were one of two agencies that was exempted from that because we were able to show with data that what we were doing was already superior to what they were asking. In our service area, we tried that two-day-a-week watering approach back in 2009 for about a year and a half, and there was no reduction in water use. So, for us, we knew that really wasn't the most effective route.

Water Deeply: The district was just given an award for innovation by the Association of California Cities – Orange County for your work with the [California Data Collaborative](#) on a water demand forecasting tool that helped save \$20 million. Can you explain the project?



Drew Atwater is the director of planning at Moulton Niguel Water District in Orange County, which used data analysis and creative partnerships to drive innovation during California's drought. (Courtesy of Drew Atwater)

Drew Atwater: The water demand forecasting work [by a senior data scientist at Netflix who volunteered his time through Data Kind, which connects talented data scientists with public-good projects] used a statistical model to forecast recycled water demand. The district's recycled water system has supply constraints in the summer where the district has had to use potable water to meet demand in the past.

Additionally, the district was evaluating seasonal storage capacity acquisition to store recycled water produced in the winter for use in the summer to avoid the need for potable makeup water in the recycled water system.

The statistical analysis provided a tool to help operators in better managing the system, to know when there is a high likelihood for need of potable makeup water in the future and then to target large irrigators to encourage them to shift their irrigation. Additionally, the detailed statistical analysis helped support the district in determining that spending \$20 million on seasonal storage capacity acquisition is not cost-effective and aided in understanding recycled water demand in detail to make that decision.

Water Deeply: How did your rate structure help during the drought?

Lopez: I don't know if you're familiar with water budget-based rate structure, but there is a tiered way of setting rates, but it goes further in incentivizing efficiency. Based on how many people are in the household, how much area you have to irrigate, we customize a budget based on efficient indoor and outdoor use, and if you stay within your budget, you pay less. If you decide to be more inefficient and use more water beyond your budget, you pay more. So it's tiered, and the costs climb, because the more you are inefficient, the more you pay.

The rate structure we've had since 2011 has proven to be very effective, because it incentivizes efficient use and it also puts the choice and responsibility in the customers' hands.

Water Deeply: And what happens when people are inefficient with their water usage and pay higher rates?

Lopez: The whole message of the rate structure was that the money we collect from inefficient use we were able to invest back into conservation efficiency programs that benefit our community.

So, we did a lot of partnerships with schools and cities where we were able to invest that money into transforming medians, transforming athletic fields, so people really saw how this rate structure worked and how it was an investment back into the community where those funds were collected.

Water Deeply: A lot of water agencies were hit hard financially during the drought because more conservation means less money in revenue, despite costs to supply water remaining constant. How did you address that?

Lopez: We restructured so that more of our costs are associated with the fixed cost rather than the variable costs. We have rate experts, we have data scientists, so in that combination we're

able to do some very sophisticated 10-year financial lookouts and be very nimble in looking at our rate structure and understanding the relationship between rates and water usage.

So because of the way that we're structured, even though our percentage reduction cutback was 20 percent, we did not see a loss of revenue, and that was so fundamental and critical because it keeps us operating and these guys have done an outstanding job of structuring our financial portfolio and our financial structure in such a way that we were very resilient during these years of cutbacks.

Water Deeply: What is the per capita use in gallons of water per day? And what was it before the drought?

Atwater: We're at about 130, 135 today in total. That's the total water use divided by population. Before the drought, probably 155 to 160.

I think the key message that the district has had is to be efficient. If it's hotter, people need to water more. So, the rate structure and all our messaging have been geared toward greater efficiency. One thing we've really tracked is how efficient customers are, the number of customers who go over their budget, or the water that is used above their budgets.

Lopez: We've done a lot of outdoor landscape work because we know throughout the state that about 60 percent of all inefficient use is associated with outdoor irrigation systems. So, in the past three years, we've removed about 5 million square ft of turf. Just to give you an idea, we represent a population of about 5 percent of Orange County, but we removed about 25 percent of all the turf that was removed in Orange County.

But that represents only 1 percent of all landscape in our service area alone. So, it just gives you a scale of understanding how much more opportunity there is if you really transform your outdoor landscape into California-friendly gardens. You can really have much more efficiency as a community.

Water Deeply: What did you learn about your customers?

Lopez: Customers want information. They want to do their part. A lot of people think the public doesn't get it – but they get it. They said, "Give us information or instructions to help us be efficient." And one of the things we're doing right now is we have a customer portal, and we're piloting a version of, basically, water smart meters so that customers can get their usage through an app on their phone so they can see their rate of activity, how much they're using.

And even with all the rain [this year], we have not seen a rebound in how much people are using, because they're in a different mindset altogether.

East Bay Times

Pittsburg: \$300K EPA grant could help spark waterfront commerce plan

By [Sam Richards](#) | srichards@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: **May 31, 2017** at 12:00 pm | UPDATED: June 1, 2017 at 10:40 am

PITTSBURG — Just as federal and local officials were announcing a \$300,000 Environmental Protection Agency grant to the city of Pittsburg on Wednesday morning, a cargo ship, the West Treasure, slowly hummed past the Pittsburg Marina.

“Perfect timing; it speaks to our vision,” said Contra Costa County Supervisor Federal Glover, one of several officials at a news conference to tout the EPA grant. The money will help pay to assess cleanup needs at several local properties to prepare for future industrial and other economic development.

The endgame, Glover and others said — making Pittsburg a bigger part of a plan to transform Contra Costa’s northern shoreline a bustling corridor of both heavy and high-tech industry, under the county’s overarching Northern Waterfront Economic Development Initiative. It’s an ambitious plan county leaders hope brings 18,000 new jobs to the corridor by 2035.

The EPA grant, applied for jointly by the city of Pittsburg and Contra Costa County, will help pay for soil studies not only at contaminated old industrial sites, but also a part of the Pittsburg Marina area, said Glover, whose office joined with Pittsburg to apply for the grant.

Alexis Strauss, acting regional administrator for the U.S. Environmental Protection Agency on hand for Wednesday’s announcement, said the Pittsburg grant is one of many in the agency’s ongoing nationwide “Brownfields Program” to assess ground cleanup needs.

County leaders hope the Northern Waterfront Economic Development Initiative will promote and accommodate industrial and business development along the 55-mile-long, one-mile-wide industrial waterfront from Pinole through Rodeo and east along San Pablo Bay and Carquinez Strait through Crockett, Martinez, Avon, Bay Point, Pittsburg and Antioch to the former DuPont Chemical land in Oakley. Desired tenants include advanced transportation fuels, bio-tech/bio-medical, “diverse manufacturing,” food processing and clean technology businesses. The navigable waterway and two rail lines are touted as valuable assets in marketing the area, Glover and others say.

The former Johns Manville (later Schuller) roofing materials plant property at Third and Harbor streets is a key cleanup site in Pittsburg. Commercial roofing materials were made on the site until the plant closed about 2000. Among the contaminants believed there are asbestos, petroleum-based resins and solvents. Parts of the land have been cleaned up; a housing developer later planned a project there, which was never built.

“We know that area is ‘hot’ and that it needs cleanup,” said Sara Aliotti, a city of Pittsburg administrative analyst. She envisions commercial development there one day, manufacturing or perhaps an eastward expansion of downtown and its restaurants and vendors.

The former Johns-Manville (later Schuller) roofing materials plant grounds at Third and Harbor streets is a key cleanup site in Pittsburg. Officials say new EPA grant money will help assess the need for cleanup here, to make way for future development. Sam Richards/Staff

The waterfront development plan was authorized by the county Board of Supervisors in 2013. Its seeming glacial pace of progress has drawn criticism, but Glover said work has been going on behind the scenes. The new grant, though, should put work into higher gear, he said Wednesday.

“Other communities should apply for these grants, and I hope many more grants like this are forthcoming,” Glover said.

Separately, Strauss said another EPA grant — for \$600,000 — announced Wednesday will go to the Association of Bay Area Governments for “brownfield” cleanup assessments in Richmond, El Cerrito and unincorporated West Contra Costa to support the ongoing East Bay Corridors Initiative for reinvestment and new homes and jobs along transit corridors.

East Bay Times

More changes may be coming as Kensington hires general manager



OLYMPUS DIGITAL CAMERA

By [Rick Radin](#) | Correspondent

PUBLISHED: **June 12, 2017** at 7:53 am | UPDATED: June 12, 2017 at 8:47 am

KENSINGTON — The town's community services board has completed its goal of splitting its general manager job from its police chief position by hiring a former city manager of a similar Bay Area community to take on the GM role exclusively.

The board Thursday evening unanimously approved the hiring of Anthony Constantouros, who served as city manager in the exclusive San Francisco Peninsula town of Hillsborough from 1994 to 2012.

Moments later, it approved current interim Police Chief/General Manager Rickey Hull to serve as interim police chief from July 1 until the end of the year.

Constantouros will be paid between \$85,000 to \$100,000 per year on a three-year contract and Hull's salary will be reduced from \$140,000 annually to \$129,000, meaning that the district will be adding \$38,000 to \$43,500 in administrative costs during the second half of the year.

The abbreviated length of Hull's appointment and his continued interim status, along with the added administrative costs, might lend credence to the idea that Constantouros will be charged with dissolving the police department, which has been plagued by scandals in recent years, and contracting out its law enforcement to a neighboring community, such as El Cerrito or Albany.

Kensington has a contract for fire protection service with El Cerrito. It recently contracted with Albany for emergency dispatch services.

However, Len Welsh, the board's senior member, said his feeling is that most people in Kensington are satisfied with the service they are getting from the department.

Welsh said he favors the interim status for Hull because he thinks the general manager should have a say in who should be the police chief.

"I might consider pursuing a search and have everyone apply, including (Hull)," he said.

The 60 or so residents at the meeting seemed nearly unanimous in their approval of in the selection of Constantouros, who was picked from a group of 16 applicants.

Fiscal watchdog Jim Watt cautioned against making too many comparisons between Hillsborough and Kensington, saying that the Peninsula community spends much more per capita on its police force.

Watt said that Hillsborough, with a population of 11,400 compared with around 5,000 for Kensington, has 26 sworn officers with a support staff of 10 and its average police officer pay is \$137,000 per year, compared with \$103,000 for Kensington.

In his remarks after his appointment was official, Constantouros explained that funding for the Hillsborough force has been bolstered by a parcel tax passed by 80 percent of voters.

Both communities have very low crime rates, he added.

Besides holding the top job in Hillsborough, Constantouros has been an assistant city manager in Milpitas and chief personnel officer in Mountain View, among other Bay Area government positions.

The new GM, a Danville resident, had the 262nd highest pension on the California Public Employee Retirement System list in 2015 at \$205,681 a year, according to the 100K Club and Transparent California websites.

East Bay Times

Cancer-causing contaminants rise sharply in East Bay drinking water

By [Denis Cuff](#) | dcuff@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: **June 13, 2017** at 11:12 am | UPDATED: June 15, 2017 at 5:30 am

OAKLAND — Cancer-causing compounds in East Bay drinking water have increased sharply over the past several years, and water in some areas is close to violating a federal public health standard, the East Bay Municipal Utility District [reported Tuesday](#).

Water-quality managers said the drought is at least partly to blame for the increase in contaminants called trihalomethanes or THMs, a byproduct of chlorine used to kill germs reacting with natural organic matter in water.

The low flows and hot temperatures in the drought led to more impurities in water, and sped up their formation into harmful byproducts.

The drought also led to reduced customer water use that meant tap water stayed longer in district water tanks, spurring the need to add more chlorine that forms the unwanted byproducts, district officials said.

Concentrations of the contaminants are higher than they have been in nearly 20 years, and higher than an internal district goal, officials said.

“We see a steady increase in the THMs. We have a problem,” Brett Kawakami, the district manager of treatment and distribution, told a water board committee Tuesday. “The THM readings in two areas are approaching the maximum contaminant level” at which violations trigger a requirement to issue a public health advisory.

Those two areas are in part of Lafayette and part of the Berkeley hills. But the contaminant level is on the rise throughout the district, officials said.

“The water is safe to drink,” said district spokeswoman Jenesse Miller, “but we have identified a long-term issue with our water that deals with risks of consuming it over a lifetime.”

Average district trihalomethane concentrations in 2016 averaged 58 parts per billion, exceeding the district’s internal goal of 40 ppb annual average. Areas with 80 ppb or more annual averages must issue a public health advisory.

The end of the drought has not lowered the concentrations in some areas as the district had hoped.

“THM concentrations have been increasing for the past few years. Concentrations have increased more significantly in the past few months,” district administrators wrote in the report.

Officials say they suspect that heavy winter rains washed organic matter, a precursor to THMs, into reservoirs that built up over hillsides during five years of drought.

To deal with the problem, the district is considering spending millions of dollars to refine treatment procedures or change equipment at some plants. The district also proposes to test the use of sedimentation basins and clarifier tanks to treat water.

District officials say they already have taken some measures to change how and where disinfectants are added to drinking water to reduce the formation of the byproducts.

Because its Mokelumne water from the Sierra is such high quality, the district traditionally hasn't built as elaborate and involved treatment plants as many other agencies that routinely use ozone gas and deep beds of granular activated carbon, said Michael Hartlaub, a district senior engineer in water treatment.

The drought brought to light the district's vulnerability in several ways.

Warm temperatures and low water flows accelerated formation of algae and tiny organic organisms in Pardee Reservoir, where the district's Sierra water is piped to the East Bay.

Warmer temperatures also sped the formation of contaminants, and caused chlorine to dissipate faster, leading water agencies to add more chlorine in tanks and pipes, leading to more THMs.

EBMUD provides drinking water to 1.4 million people in Contra Costa and Alameda counties in Oakland, Berkeley, San Ramon, Richmond, Walnut Creek and other areas stretching from Hercules in the north to San Leandro in the south.

East Bay Times

How safe is your East Bay drinking water?



The East Bay Municipal Utility District is looking at measures to reduce a drought-related increase in cancer-causing trihalomethanes in its drinking water. Shown above is part of the district's Orinda water treatment plant. (Laura Oda/Bay Area News Group)

By [Denis Cuff](#) | dcuff@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: **June 14, 2017** at 4:08 pm | UPDATED: June 15, 2017 at 5:30 am

OAKLAND — Despite drought-related increases in cancer-causing compounds, tap water for 1.4 million East Bay residents is safe to drink, state regulators said Wednesday.

Related Articles

- [Cancer-causing contaminants rise sharply in East Bay drinking water](#)

The East Bay Municipal Utility District [reported Tuesday](#) that concentrations of trihalomethanes, a byproduct of chlorine disinfectant and organic matter in water, have risen sharply since 2015. The contaminants are nearing but not violating public health standards in two areas: The Lafayette hills and an area along Berkeley/Oakland border, the district reported.

State drinking water officials agreed with EBMUD that the water is safe to drink.

“The water meets all health standards,” said Marco Pacheco, senior engineer with the state Division of Drinking Water. “There are no acute health risks.”

He noted that the public standard for trihalomethanes or HTMs is based on a risk of contracting cancer from consuming five glasses a day of water that violates the maximum limit of 80 parts per billion annual average.

Last year EBMUD water averaged 58 ppb, although there are some areas where quarterly readings this year are close to and above the 80 ppb limit.

In response, the water district has modified how and where it disinfects water, how it flushes pipes and tanks to reduce THMs, and is testing ways to settle out and remove organic matter that can turn into the cancer-causing compounds

“We recognize that EBMUD is taking the necessary and proactive steps to lower TTHM concentrations in its service area,” Pacheco said.

He said his department has no recommendation and leaves it up to individual consumers to choose if they wish to use charcoal filters to treat their water at home.

If they use home filters, however, those filters should be cleaned at recommended intervals to avoid being sponges for impurities, Pacheco said.

EBMUD spokeswoman Andrea Pook said district officials don’t believe home water filters are effective at lowering THMs.

“There is no need for filters,” she said. “This is not an emergency.”

Experts believe the drought led to more of the harmful compounds because organic matter collected on hillsides and mountains during five years of drought and then washed down into reservoirs during the extremely wet last winter.

Also, reduced consumer water use has increased the waiting time water spends in distribution pipes and tanks before entering faucets and showers, providing more time for the harmful compounds to form.

Pacheco said there also are drought-related increases in THMs in San Francisco water from the city’s Hetch Hetchy water system.

In 2016, EBMUD’s THMs averaged 58 parts per billion, compared to a 39 ppb average in the Concord-based Contra Costa Water District, which uses ozone gas to blast apart the harmful compounds and deep granular activated carbon beds to remove impurities from Delta water.

In 2016, the Alameda County Water District’s highest annual average of THMs was 58 ppb in some places, according to the agency’s annual water quality report.

EBMUD gets its drinking water from the Mokelumne River in the Sierra foothills.

East Bay Times

Coast Guard to sell vacant housing near Concord Naval Weapons Station



(Dan Honda/Bay Area News Group)

The city of Concord wants to purchase the 58-acre former Coast Guard housing property near the Concord Naval Weapons Station. The vacant Victory Village and Quinault Village housing developments sit on the property on East Olivera Road.

By [Lisa P. White](#) | lwhite@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: **June 26, 2017** at 8:05 am | UPDATED: June 26, 2017 at 9:36 am

CONCORD — Three years ago, the city jumped at the opportunity to buy the vacant military housing near the Concord Naval Weapons Station when the Coast Guard declared the property surplus.

But after initially saying it intended to sell, the Coast Guard put the disposal process on hold while it studied the need for Bay Area housing for enlisted personnel, according to Victoria Walker, Concord's community and economic director.

Last month, the Coast Guard announced its willingness to negotiate a possible sale of the property to Concord for fair market value, Walker said.

The 58-acre site, which city leaders believe would be ideal for a mix of affordable and market-rate housing, sits directly across East Olivera Road from Willow Pass Community Park and abuts the North Concord BART station parking lot.

In a May 19 letter to the U.S. General Services Administration, City Manager Valerie Barone reaffirmed Concord's interest in purchasing the property.

“The reuse of the USCG property is important to the city of Concord as it is adjacent to both the Concord Naval Weapons Station reuse project area and the North Concord BART station,” Barone wrote.

“This site offers opportunities for additional housing, including greatly needed affordable housing, and it would be the city’s intention to ensure that future development of the site supports and provides a variety of public benefits to the community.”

Although the GSA is handling the sale, the agency referred questions to the Coast Guard, which did not respond to a request for comment. The federal government must complete an environmental review of the property which could take six more months.

The city and the Coast Guard will wait until the environmental report is finished before they have the property appraised.

The Navy transferred the housing to the Coast Guard in 2008. The site includes two developments, Victory Village and Quinault Village — named after the S.S. Quinault Victory ship, which exploded in the deadly Port Chicago disaster during World War II.

Built in the 1950s, Quinault Village has 42 low-rise duplexes and a small community building; Victory Village, which dates to the 1980s, includes about 100 triplexes. Most of the units in both developments have three or four bedrooms.

“Our understanding is (the housing) was not built to code, it’s deteriorated and there would be real questions about the value of trying to rehabilitate it,” Walker said. “It’s premature to decide whether those units could be reasonably rehabilitated or if that is just not a good cost-benefit to our goals.”

On July 24, the city’s Housing and Economic Development Committee will consider recommending to the full council that the city seek a development partner to pursue a negotiated sale of the Coast Guard property.

If Concord buys the property, Walker said, it would require that 25 percent of the housing built on the site is affordable, the same standard city leaders set for the reuse project on the former naval base.

Since the land belongs to the federal government, it has no general plan designations or zoning. At the July 25 council meeting, staff members plan to propose that the city add the Coast Guard property to the ongoing specific planning process for the naval weapons station.

A specific plan defines land uses and densities, describes the components of private and public transportation, creates development standards, addresses natural resources and water, sewage and solid waste disposal.

“Until the specific plan is done, we won’t know the true development potential of the site,” Walker said.

East Bay Times

Grand jury report outlines path to East County fire funding



A fire engine sits in the driveway of the apparatus building at a fire station located in unincorporated Clayton out Marsh Creek and Morgan Territory roads in 2010. (Susan Tripp Pollard/Staff)

By [Aaron Davis](#) | aarondavis@bayareanewsgroup.com | Bay Area News Group

PUBLISHED: **June 25, 2017** at 12:14 pm | UPDATED: June 26, 2017 at 4:58 am

BRENTWOOD — A Contra Costa civil grand jury has found that no community in the East Contra Costa Fire Protection District meets national response time standards.

The civil grand jury issued its 12-page report in early June after studying financial reports, a prior 2012 grand jury report on the same topic, and a number of other reports on the district's money woes over the years. The report also outlines a path and recommendations for funding the district.

The strongest finding in the report is that closing five of the district's eight fire stations has slowed down response times and that this leads to a higher chance of death, injury and property damage.

According to the report, the district had 6,785 calls for service in 2016 with an average response time of 8:03 minutes. The national standard for response times is 5 to 6 minutes.

Response times varied significantly among the cities and towns. While Oakley had an average response time of 7:05 minutes for a call, Bethel Island's average response time was 14:24 minutes.

The report went on to look at the financials of the district and how the district receives the lowest share of property taxes of any fire district in the county, as well as how cutting costs and closing five fire stations led to long term debt in the form of retirement expenses.

With all the woes laid out before them, the grand jury went on to find ways the district could pull itself back together.

The fire district board of directors could keep putting tax measures on the ballot, but voters have shot down [three tax measures in four years](#).

The district should support legislation to reallocate property tax revenues from another agency in the county. Two bills submitted by Assemblymember Jim Frazier, D-Discovery Bay, would do just that. One would reallocate money from the [East Bay Regional Parks system](#), and another is a placeholder bill for an election-based solution.

Voluntary reallocation was proposed, but in February, six school district administrators from Antioch, Brentwood, Knightsen, Byron, Oakley and Liberty Union signed a letter stating that they would not do so.

Four recommendations were for cities and counties to adopt policies that require all developers to pay impact fees for the fire services their developments are projected to use as well as community facility districts for the ongoing support of those fire services.

Currently, there is only one community facilities district — the Summer Lakes homes in the Cypress Development — that provides funding to the fire district. The Cypress CFD, which was established in unincorporated Contra Costa County in 2004, contributed \$162,370 in fiscal year 2015/2016. For the 616 houses there, this amounts to a little over \$260 a year.

Supervisor Diane Burgis' office said that they would like to see more developer fees and community facility districts and will be working with county staff to review the county's ordinances.

This and other reports from the county's civil grand jury can be found by going to www.cc-courts.org/civil/grand-jury-reports.aspx

East Bay Times

Kensington facing another tough public safety decision

Costly options for updating police and fire building



(Jane Tyska/Bay Area News Group)

Kensington residents last week heard options for replacing or renovating the town's public safety building on Arlington Avenue.

By [Rick Radin](#) | Correspondent

PUBLISHED: **June 27, 2017** at 11:06 am | UPDATED: June 28, 2017 at 5:51 am

KENSINGTON — A new public safety debate is brewing in the community over a plan to remodel or replace the Public Safety Building.

That was the indication given reactions to a preliminary study by some 75 residents attending a June 24 town hall meeting.

The Public Safety Building, which opened in 1969, has seismic issues and fire engine bays that are barely large enough to house modern fire trucks, according to an analysis done by RossDrulisCusenbery, an architecture firm that designs public buildings, including fire and police stations.

The analysis proposes tearing down the existing 6,000-square-foot building that houses Kensington's fire and police departments and replacing it with an 11,800-square-foot structure with larger fire truck bays, larger offices, better security and proper access for the disabled, among other improvements.

It soft peddles possible alternatives to replacement at the current site, which include a renovation and seismic upgrade to the existing building, and constructing a new police and fire building at Kensington Park, further north on Arlington Boulevard.

The current building, at 217 Arlington, is on a constrained site behind a retaining wall to the east and between two single-family homes.

A preliminary design concept from RossDrulisCusenbery would nearly double the space of the existing structure and preserve the views of homes located behind, according to firm principal Mallory Cusenbery.

Cusenbery got plenty of feedback at the meeting, especially a negative reaction to the estimated \$12 million cost of the proposal, with speakers objecting to the spending receiving consistent applause from many of the about 75 residents in attendance.

“The \$12 million is an astronomical cost, and we would almost certainly have to go to the taxpayers (with a bond) to pay for it,” said resident Jim Watt. “We’ve heard nothing about upgrading the current building, which would cost \$750,000 to \$1 million to bring into (seismic) compliance.”

Others questioned whether a new building could even be constructed on the site, since state law prohibits new construction on top of earthquake fault traces, and it is not currently known whether there is a fault trace under the building.

Cusenbery said that would be determined by a new seismic study if a decision is made to move ahead.

In addition, a major earthquake on the Hayward fault, which runs along the west side of Arlington Avenue, could make the street impassible, preventing firefighters from responding even if the building remained intact.

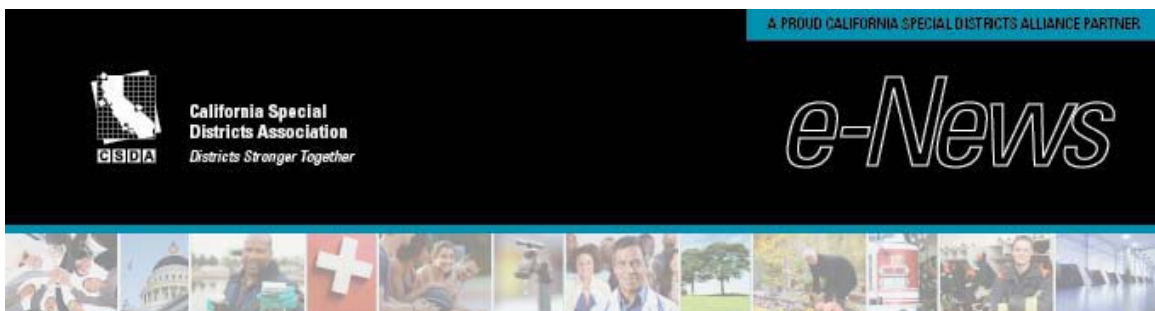
Fire board President Don Dommer responded, in part, to the criticisms by saying Kensington would still be out of compliance with a number of regulations if the current structure is renovated.

“We will still have non-staff wandering through the police department, we will still not be in compliance with (Americans with Disabilities Act) rules,” said Dommer, who operates an Albany architecture firm that also designs fire stations. “There are a whole lot of things in the current building that don’t work that wouldn’t change after a renovation.”

The fire district has spent \$200,000 getting to this point, but the board hasn’t settled on a financing proposal for an entire project.

El Cerrito Fire Chief Lance Maples, whose department staffs and operates the fire department portion of the building under contract with Kensington, advocated for the plan to build new, but seemed to acknowledge that the picture remains cloudy.

“We’re not in a rush to do this,” Maples assured residents as the meeting concluded.



Little Hoover Holds Productive Roundtable on Potential Recommendations



Last week, the Little Hoover Commission conducted a roundtable discussion with local government representatives and State officials to solicit feedback on proposed recommendations impacting special districts. The [draft potential recommendations](#) are a result of the Little Hoover Commission's review of special districts for a study that may be completed and released to the public as soon as this August.

Various CSDA [members, allies, and staff](#) participated in the roundtable discussion to help the Commission understand the feasibility and potential consequences of the draft recommendations. CSDA has proactively participated in the Little Hoover process since testifying at its first hearing in August 2016 with the goal of facilitating an open and constructive dialogue that can result in workable recommendations.

At the top of the roundtable discussion, Commission Chair Pedro Nava stated, "This has been one of the most rewarding and vigorous studies since I have become a Commissioner." He also complimented the participants, saying, "What you represent is public service."

The main suggestions from CSDA and partners at the roundtable discussion included:

LAFCOs

- When the Legislature overrides LAFCO, it overrides this most thorough, democratic, and effective way of reviewing local boundaries, reorganizations, dissolutions, and services.
- The State may wish to support the important work of LAFCOs through a small investment in grant funding. A one-time minor allocation of \$1-3 million could fund dozens of the most critically needed studies by LAFCOs.
- CSDA strongly opposes the diversion of property taxes away from the essential local services they were originally approved to fund. Diverting property taxes would result in an immediate and permanent hit to local services, and/or increases in other local taxes and fees in order to replace those revenues.
- CSDA will oppose any measure that would unreasonably reduce due public process regarding formations, dissolutions or reorganizations of local entities. LAFCO protest thresholds should be analyzed. However, arbitrarily raising the thresholds could stifle the voice and participation of residents on important matters affecting the services they receive and pay for.

Websites

- CSDA wants every special district to have a website, and is working proactively with its partners to make affordable, high-quality websites that are user-friendly available to CSDA members.
- Should the Commission choose to move forward with its potential recommendation to require websites for local agencies, CSDA strongly encourages the Commission include two thresholds for the requirement:
 - Access Threshold: Much of California still lacks reliable internet access. In fact, there are communities served by special districts where there is little-to-zero internet access. Clearly, in these areas, it would be impossible for a district to regularly update a website with the type of information proposed under the potential recommendations, let alone the four requirements under existing law. Moreover, even if these districts found a way to comply, the

vast majority of their constituents would never be able to benefit from it because they don't have the internet.

- Revenue/Size Threshold: There are some public agencies that meet a real need for a community yet, given their small budget, small staff, and/or small population, the soft costs associated with maintaining a website simply may not pencil out for the taxpayers and ratepayers from a cost-benefit standpoint.
- When it comes to the content on websites, it is best to allow organizations like the Special District Leadership Foundation to set guidelines and best practices, rather than mandate them in statute. This is for a few reasons, including:
 - Websites and technology evolve much faster than State law, making statute a poor place to micromanage websites.
 - The needs and wants of a district's residents vary significantly from the needs and wants of the State, or various other entities. These needs also vary based on the types of services residents receive from an agency. When you design a website, the very first thing you do is choose your audience. With web-design, less is often more and cleaner sites result in more use.

Public Engagement and Awareness

- The small amount of civics education offered in K-12 is almost entirely limited to Federal Government. There is little-to-no education on local government. CSDA believes that meaningful curriculum for K-12 education on special districts, cities, counties is essential if we want people to understand and engage in their government.

During the public comment portion of the roundtable, several attendees also spoke to the value and benefit of the special districts serving their communities. Those testifying in support of special districts included:

- Stanislaus County Supervisor Vito Chiesa
- Calaveras County Supervisor Dennis Mills
- Nancy Wenninger, Conservation Chair, Mt. Diablo Audubon Society
- Susan Day, San Diego Burn Institute

The Commission was grateful for the thoughtful and thorough comments of all participants. "It is extremely important to engage with the people who would be responsible for implementing these recommendations. We thank you for your input," said Little Hoover Commission Chair Pedro Nava. In addition to Chair Nava, other Commissioners in attendance were Commission Vice-Chair Sean Varner, Commissioner David Beier, Commissioner Iveta Brigis, Commissioner Helen Iris Torres, and Commissioner Jana Sidley.

CSDA would like to thank our Little Hoover Commission working group, our website mandate working group, and all other members who helped provide feedback and input on the Commission's draft potential recommendations in advance of the roundtable meeting.

Do you want to give your input? The Little Hoover Commission is still accepting feedback on the draft potential recommendations. If you are interested in submitting a comment to the Commission, please contact Kyle Packham, Advocacy and Public Affairs Director at kylep@csda.net for instructions and assistance.

More information about the Little Hoover Commission's study on special districts can be found at www.lhc.ca.gov.

[California Special Districts Association](http://www.csda.net) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner

East Bay Times

Sense of urgency in updating Martinez land use plan

By [Dana Guzzetti](#) |

PUBLISHED: **June 27, 2017** at 7:42 am | UPDATED: June 27, 2017 at 7:48 am

MARTINEZ — The City Council will consider changes to the Downtown Specific Plan and an Alhambra Valley property annexation issue at a public meeting July 5.

There is a sense of urgency to complete the general plan update, and downtown is the last of four policy papers requested by the council to help complete general plan land use revisions.

The discussion will cover suggested uses for the block bounded by Alhambra, Escobar and Berrellessa streets, and Marina Vista Avenue. Blocks #1 (allows residential) and #2 (train station parking) in north downtown, north of the shoreline area at the railroad tracks, may be revised too.

Zoning changes that occurred without public approval and confusion caused by the outdated general plan have resulted in disagreements and uncertainty.

A seven-year update process started in 2008 with a 19-member task force and public workshops. It culminated in a Draft Environmental Impact Report, circulated in late 2015.

Public comment revealed some inconsistencies. Since then, the City Council hired consultant Management Partners to help get the general plan update completed as soon as possible.

In 2016, the council asked for the policy papers on remaining unresolved adjustments needed to make the Downtown Specific Plan, General Plan, Housing Element and Zoning Ordinance consistent.

Much of the Martinez General Plan was adopted in 1973, according to the city website. Council members, as well as planners, have expressed hope that the revisions will not require recirculation of the draft environmental review. If it is required, the update process will likely be extended by months.

Since annexations go through the Contra Costa County Local Agency Formation Commission (LAFCO), the Dunivan Family Trust application to annex 10 acres at 1030 Vaca Creek Road to the city of Martinez need not be delayed by that.

LAFCO will have to approve an adjustment to the Urban Limit Line — because the line now divides the property — before the entire 10 acres can be annexed, if that is approved by the City Council.

Mayor Rob Schroder represents Martinez on the LAFCO board and said the property owner's request for the adjustment is consistent with LAFCO policy to make minor adjustments that are more logical.

"The property is bifurcated by the Urban Limit Line and cannot be annexed without changing it," Schroder said.

Martinez already provides water to the property. Cities providing services outside its limits must have LAFCO approval, according to Schroder.

"A pre-annexation agreement has to be signed to get the approval," he said.

"We would like to annex the whole valley," the mayor said. "The citizens there should have a say on city issues ... and it simplifies services, like police."

The complete report on the proposed downtown revisions is available in the staff report of the June 13 Planning Commission agenda at <http://www.cityofmartinez.org/gov/meetings.asp>

Contact Dana Guzzetti at dguzzetti10@gmail.com or call [925-202-9292](tel:925-202-9292).



Published June 28th, 2017

MOFD chief ordered to cut district expenses

By Nick Marnell

The Moraga-Orinda Fire District board ordered the fire chief to cut more than \$400,000 of operating expenses and slash \$100,000 of projected overtime before it approves the 2017-18 district budget. The cuts would reduce costs in the two categories to match their 2016-17 actual expenditures.

"This budget does not reflect the long-term needs of the organization," Director John Jex said at the June 21 district meeting.

According to its 2016 Comprehensive Annual Financial Report, the district recognized \$67 million in long-term debt, which included its net pension liability and net retiree health care liability. Fire Chief Stephen Healy presented the draft of a 15-year facilities plan to the board in May that included more than \$13 million in mainly capital expenditures.

With general and capital fund balances for 2017-18 projected at slightly over \$10 million, the board objected that the proposed budget did not do enough to address those long-term liabilities or capital requirements.

"It does not provide for contingencies that will invariably come up," Director Brad Barber said. "We must build our reserves and aim for financial responsibility to our employees and the public."

The district forecast a 3.5 percent general fund revenue increase for the next fiscal year, with operating expenses to rise 21 percent. That \$500,000 cut out of overtime and operating costs could be used to help lower the district long-term debt, the board intimated.

"Give me 30 minutes and I'll find the \$400,000," Director Craig Jorgens said of the operating budget cuts. He urged the chief to rethink even items like \$7,500 for color printing cartridges. "Any area where the district can be thrifty and practical," Jorgens said.

The MOFD operating budget includes expenses other than salaries and benefits, which rose 7 percent, mostly according to terms of district labor agreements.

Directors Kathleen Famulener and Steve Anderson voted to approve the budget as presented, suggesting that the chief return to the board with amendments. "I have a hard time approving something that I do not agree with," Jex said, as he, Jorgens and Barber voted against the proposed budget.

Healy said that he will bring revised numbers, with options, to the board in July.

Reach the reporter at: nick@lamorindaweekly.com

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East Bay Times

Director at center of Kensington police controversy resigns

Vanessa Cordova cites long-term health issue



Vanessa Cordova (Courtesy photo)

By [Rick Radin](#) | Correspondent

PUBLISHED: **June 29, 2017** at 10:52 am | UPDATED: June 29, 2017 at 2:52 pm

KENSINGTON — Vanessa Cordova has resigned from the town’s community services board after a long-term health issue kept her in Italy for several months, requiring her to participate in meetings via a cell-phone connection.

In a letter to board President Rachelle Sherris-Watt, Cordova wrote from Italy that she was about to undergo an operation for a “cerebralspinal fluid leak” that “will demand 100 percent of my physical and emotional energy.”

Cordova and Sherris-Watt were elected to the police board in November of 2014.

“I think she used her skills as a public information officer to improve communication with the community, bringing residents a better understanding of local government,” Sherris-Watt said.

“She had a long-term goal of making the district financially viable,” she added. “We haven’t made as much headway as we would have liked about that.”

Cordova was also in the middle of controversy during her term.

She filed a complaint against Kensington police Sgt. Keith Barrow after she was pulled over in October of 2015 in Berkeley for having a missing front license plate and an expired registration.

The stop was made by Kensington Officer Juan Ramos while Barrow, who was off-duty at the time, was in the police car.

Cordova's ticket was later dismissed and she issued a statement calling the traffic stop an "egregious display of political retribution."

The Richmond Police Department, tasked to conduct an internal affairs investigation as an outside agency, found that Barrow, as the superior officer, had improperly supervised the traffic stop, but did not harass or stalk Cordova as she had claimed.

After the incident, Barrow was demoted from sergeant to officer, a decision he later appealed.

In a previous incident, Barrow's gun was stolen by a prostitute in Reno, Nev. and the prostitute's pimp accidentally shot himself in the leg with it in an incident on a Reno street corner.

Later, Kensington Police Chief/General Manager Greg Harman was fired by the board for alleged delays and mishandling of an investigation into the incident.

Cordova wrote in her resignation letter that "I leave the board knowing the district is in a much stronger position than when we arrived in 2014, and expecting many more pivotal achievements under your exceptional leadership," .

The board will either appoint a successor to fill out Cordova's term, which expires after the November, 2018 election, or hold a special election, Sherris-Watt said.

"My guess is we'll look to appoint," she said.

The Sacramento Bee

How climate change could threaten the water supply for millions of Californians

By Dale Kasler and Ryan Sabalow

When it comes to California and climate change, the predictions are staggering: coastal airports besieged by floodwaters, entire beaches disappearing as sea levels rise.

Another disturbing scenario is brewing inland, in the sleepy backwaters of the Sacramento-San Joaquin Delta. It's a threat to the Delta's ecosystem that could swallow up a significant portion of California's water supply.

Scientists from government and academia say rising sea levels caused by [climate change](#) will bring more salt water into the Delta, the hub of California's water-delivery network. As a result, millions of gallons of fresh water will have to be flushed through the Delta, and out into the ocean, to keep salinity from inundating the massive pumping stations near Tracy. That will leave less water available for San Joaquin Valley farmers and the 19 million Southern Californians and Bay Area residents who depend on Delta water – eventually as much as 475,000 acre-feet of water each year, enough to fill Folsom Lake halfway, according to one study by the Public Policy Institute of California.

“With rising sea levels, with climate change, that creates additional pressure coming in from the ocean,” said Michael Anderson, the state's climatologist, in a recent interview. “Sea level rise is going to become more of an influence.”

It figures to become a pocketbook issue for practically any Californian who drinks water that runs through the Delta. A 2010 study by scientists from UC Davis said rising seas, coupled with the inundation of some islands in the western Delta, will translate into higher costs for purifying water for human use. The additional cost could go as high as \$1 billion a year, “making the Delta less desirable as a conventional water source,” the study said.

That cost doesn't include the \$17.1 billion Gov. Jerry Brown proposes to spend on [the Delta tunnels](#), his controversial plan for reshaping the estuary's plumbing system.

Brown's administration is heralding the threat from climate change as one of the reasons for building the tunnels, which would increase water bills for urban Southern Californians and San Joaquin Valley farmers. An environmental impact statement released by state and federal officials in December said the tunnels are needed to prevent a significant cutback in water deliveries from the Delta.

Without the tunnels, the ability to pump water south “will be reduced under future climate and sea level rise conditions,” state and federal officials wrote. “Delta exports would be reduced by as much as 25 percent by the end of the century.”

Complicating the issue, climate scientists also agree a warmer climate will mean more rain and less snow. The Sierra snowpack serves as a giant reservoir that naturally releases water long after the rainy season ends. If more of California’s precipitation falls as rain instead of snow, much of that water will flow to the ocean in winter and spring, while it’s still raining. That will leave less water available in summer to satisfy human needs and to offset salinity in the Delta.

Salt water is already a problem at the Contra Costa Water District, which serves 500,000 residents in eastern and central Contra Costa County. Its location near the spot where water becomes brackish in the Delta puts Contra Costa on the front lines of the battle against salinity from the ocean. One of its four main intake pipes at the western edge of the Delta is precariously close to the point where water becomes too salty to drink without substantial treatment.

The agency has invested millions on intake pipes that are further and further away from the ocean. In 1997 it opened an intake along the Old River closer to the heart of the Delta. In 2010 it spent \$80 million building another intake a few miles east of the Old River facility. It considered building a desalination plant a few years ago, but the project, estimated to cost \$175 million, has been tabled.

Contra Costa’s main weapon against salinity is Los Vaqueros Reservoir, a 19-year-old man-made lake. Though it’s in the southwest Delta, it feeds off a pipeline from a San Joaquin River tributary from the east. Its purpose is to hold 160,000 acre-feet of fresh water that Contra Costa uses to dilute the supply that washes in from the Pacific.

“Things can get very salty for prolonged periods of time,” said Maureen Martin, the agency’s senior water resources specialist, during a recent tour of Los Vaqueros.

Contra Costa has spent nearly \$560 million on Los Vaqueros, and it isn’t done yet. Working with 11 other Bay Area agencies, it’s developing a plan to expand Los Vaqueros’ capacity by two-thirds, an \$800 million project.

Martin said her agency doesn’t consider sea-level rise “an imminent threat to Delta water quality.” But the scientific projections are influencing Contra Costa’s long-term planning on Los Vaqueros and other facilities.

Climate change “would probably cause the Delta to become saltier,” she said.

If climatologists are correct, the just-ended drought gave Delta residents a taste of things to come. In 2015, when the drought was at its worst and relatively little fresh water was trickling through the estuary, state officials worried about a surge of salt water gushing in. The Department of Water Resources built a [temporary rock barrier](#) on the West False River, near the heart of the Delta, to hold back the salty ocean water.

The price was \$37 million, including the expense of removing the 150,000 tons of rocks when the rainy season started. State officials declared it a successful investment. The barrier helped the state avoid releasing 90,000 acre-feet of water from upstream reservoirs to flush out the salinity.

Over the long haul, state officials believe keeping the salt at bay will be crucial to the viability of the State Water Project and the federal government's Central Valley Project, the delivery networks that move much of Northern California's water through the Delta to the water agencies of Southern California and the San Joaquin Valley.

It's a task that could become increasingly difficult as sea levels rise. Not only will higher waters bring a generally higher volume of salt into the estuary, they will put more stress on the 1,100 miles of levees protecting Delta farms and homes. A levee breach could inundate the SWP and CVP pumping stations with salt water, forcing them to shut down and reduce operations.

It represents one of the state's arguments for the tunnels project: By diverting a portion of the Sacramento River's flow at Courtland, at the northern fringe of the Delta, and piping it directly to the Tracy pumps, the state and federal water projects can sidestep much of the salt water and keep pumping water more reliably.

"The location of the north Delta diversion facility is further inland, making it less vulnerable to salinity intrusion," officials wrote in the environmental report last December.

Tunnels opponents aren't swayed by that argument.

They don't dispute that rising seas will bring more salt to the Delta. But they say the tunnels would actually worsen the problem and make Delta water dangerously salty for farming and drinking water needs. By pulling some of the fresh water out of the Sacramento at the upstream location, opponents fear it will increase the salt concentration in the remaining water flowing through the Delta. In that respect, they're insulted that the threat from global warming is being used to justify the project.

"Whatever the truth might be about the extent or arrival of (climate) changes, the theory is being used as one more arrow shot at us," said John Herrick, attorney for the South Delta Water Agency.

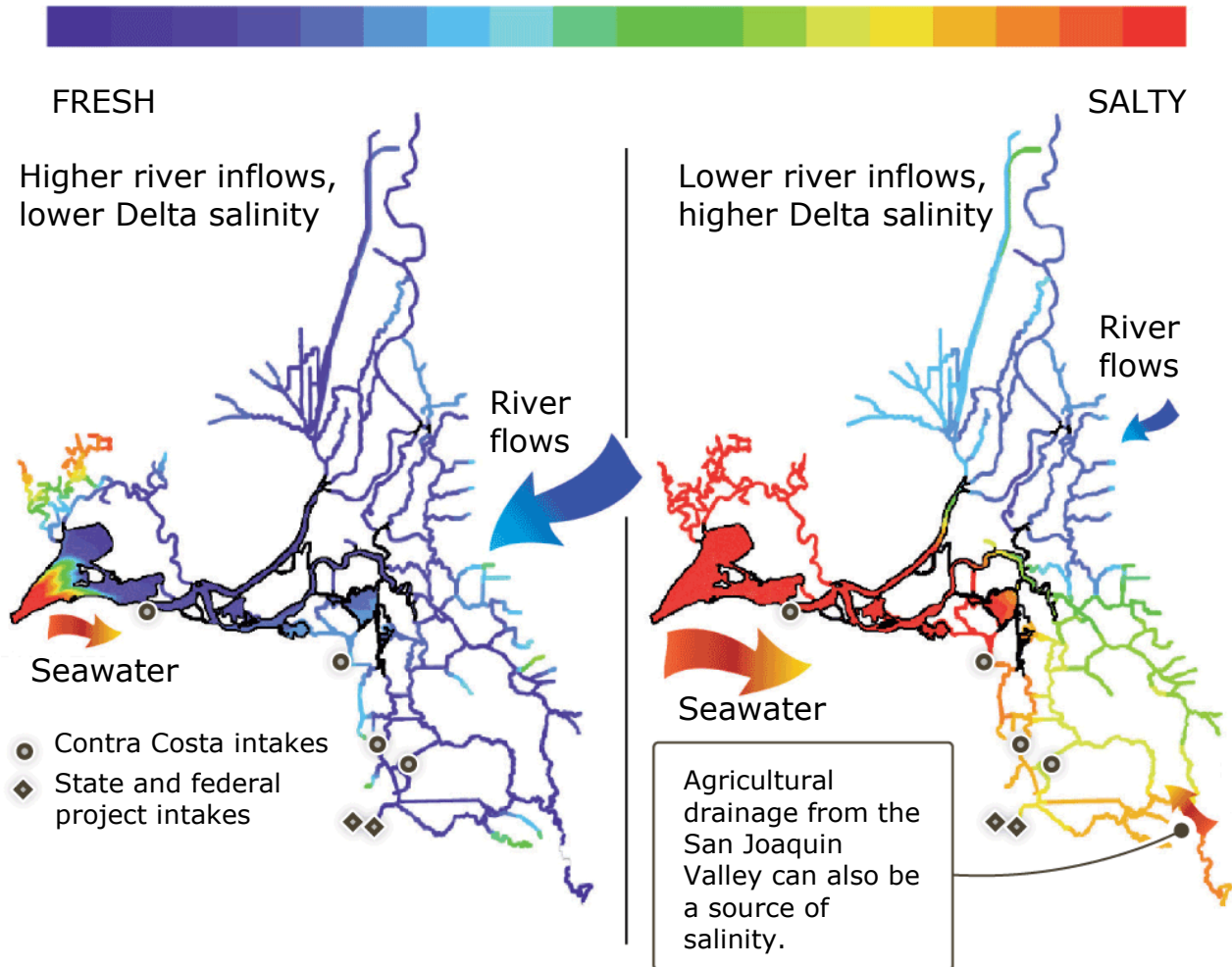
"There isn't a shadow of a doubt in our minds that once they're able to take water from up north, they'd doom us," he added.

The twin tunnels would take water from the Sacramento River and transport it under the Delta. See which islands and rivers they would cross.

A 2010 study by scientists from UC Davis said rising seas, coupled with the inundation of some islands in the western Delta, will translate into higher costs for purifying water for human use. The additional cost could go as high as \$1 billion a year, "making the Delta less desirable as a conventional water source," the study said.

Delta salinity

High water flows from the Sacramento and San Joaquin rivers push fresh water well into Suisun Bay. When flows from the rivers are low, sea water penetrates deep into the Delta. Climatologists say rising sea levels will worsen the saltwater intrusion.



Sources: Delta Stewardship Council, Resource Management Associates, Contra Costa Water Authority

The Sacramento Bee

East Bay Times

California drought: Plans advance to enlarge major Bay Area reservoir



(Doug Duran/Bay Area News Group)

Alex Amaya, of Pleasant Hill, Calif., walks down a trail after taking advantage in the break in the weather by fishing on the shore of Los Vaqueros Reservoir on Wednesday, Jan. 11, 2017.

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Working to expand water supplies for California’s next drought, a coalition of 12 Bay Area water agencies took a significant step Monday toward an \$800 million expansion of one of the largest reservoirs in the Bay Area — Los Vaqueros Reservoir in the rolling hills near the Alameda-Contra Costa county line.

The plan would raise the reservoir’s earthen dam by 55 feet, to 273 feet high. That would make it the second tallest dam in the Bay Area, eclipsed only by Warm Springs Dam, at 319 feet tall, on Lake Sonoma near Healdsburg.

The construction would expand the size of Los Vaqueros from its current 160,000 acre-feet capacity to 275,000 acre-feet, enough water when full for the annual needs of 1.4 million people.

The Santa Clara Valley Water District, East Bay Municipal Utility District, Alameda County Water District, San Francisco Public Utilities Commission and other agencies are contributing to the studies of the project, and see it as a cooperative solution to water shortages and a way to better tie their systems together as insurance against emergencies like earthquakes.

“This is an opportunity to help us deal with extended droughts,” said Jennifer Allen, a spokeswoman for the Contra Costa Water District, based in Concord. “It’s a way to expand the benefits of the reservoir and make it work for a larger group.”

RESERVOIR EXPANSION PROPOSAL

An \$800 million project could expand Los Vaqueros Reservoir and connect it with other water systems as far south as San Jose.



On Monday, the Contra Costa Water District, which owns the reservoir, released new environmental studies and scheduled a series of [six public meetings](#) from July 11 to July 27 in Concord, Oakland, San Jose, Brentwood, Sacramento and Los Banos to discuss the specifics in the new documents, which are officially called [the draft supplement to the final environmental impact study](#).

Supporters of the idea are hoping that up to \$400 million of the \$800 million cost will come from Proposition 1, a water bond passed by California voters in 2014. The deadline for water agencies to apply for funding under the measure is August 14.

The remainder of the cost would be paid by the customers of each participating agency. Exactly which agencies will decide to formally join the project, and who will pay how much is yet to be determined. Costs will likely be decided based on the amount of water each agency would get.

“Having more partners brings in more customers, and that helps spread the costs out more widely,” said Allen.

Still, more studies, negotiations and permits are needed. Construction would begin in 2022 and be completed in 2027.

Los Vaqueros Reservoir is 3 miles long. It was built in 1998 with \$450 million from the 500,000 customers of the Contra Costa Water District. In 2010, the same customers approved an advisory measure to increase the reservoir’s size from 100,000 acre feet to 160,000 acre feet, raising the dam 34 feet.

That project was finished in 2012. The reservoir, which is filled by water from the Sacramento-San Joaquin River Delta, is currently 95 percent full, the highest level it has ever been, as a result of this recent drenching wet winter.

The idea of expanding Los Vaqueros Reservoir has been around for a while. Nearly a decade ago, it was discussed, but at the time, the economy was struggling, and there were few state matching funds, and Contra Costa officials could not find other agencies to help foot the bill.

Now, after the historic 5-year-drought, they are lining up.

“We’re interested in studying this because an expanded reservoir provides an opportunity for us and others to capture surplus water that ordinarily would flow to the ocean,” said Colleen Valles, a spokeswoman for the Santa Clara Valley Water District, which provides water to 1.9 million people in Santa Clara County. “It would allow us to store more for drier years.”



The Los Vaqueros Reservoir dam, located in Contra Costa County between Brentwood and Livermore, is photographed on Thursday, Nov. 3, 2016

The Santa Clara Valley Water District also is submitting its own plan for an expanded reservoir, a proposal to increase the size of Pacheco Reservoir, a remote lake located along Highway 152 between Gilroy and Los Banos. But that project is considered more of a long shot. It has no major water agencies as partners, and is in an area that has had geologic issues in the past.

Unlike with many other plans to build new dams on rivers, which would submerge huge areas of wilderness and kill endangered salmon and other species, environmentalists have not come out in opposition to increasing the height of Los Vaqueros, which is an off-stream reservoir filled with water brought in from the Delta via pipes and a canal.

[The project](#) would have a relatively minor impact, because a reservoir is already there. When Los Vaqueros’ dam was raised five years ago, the Contra Costa Water district purchased roughly 5,000 acres in Alameda, Contra Costa and San Joaquin counties to provide habitat for the endangered San Joaquin Valley kit fox and other species whose habitat was submerged when the lake level rose. A similar environmental project would be likely if the lake rises again.

The project would require the entire reservoir to be drained, since the dam would need to be worked on at the reservoir side, Allen said. Trails in the 20,000-acre watershed would need to be

rerouted, and the boat marina would need to be relocated. Also, a 9-mile long pipeline from a transfer station near Los Vaqueros would need to be built to Bethany Reservoir nearby, so the water could be put into the South Bay Aqueduct and delivered further south.

The meetings to discuss the idea are scheduled for:

- Tuesday, July 11, 2017, 1:30 p.m. – 3:30 p.m., Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814
- Wednesday, July 12, 2017, 6:30 p.m. – 8:30 p.m., Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, CA 95118
- Tuesday, July 18, 2017, 6:30 p.m. – 8:30 p.m., Contra Costa Water District, 1331 Concord Avenue, Concord, CA 94520
- Thursday, July 20, 2017, 6:30 p.m. – 8:30 p.m., East Bay Municipal Utility District, 375 11th Street, Oakland, CA 94607
- Tuesday, July 25, 2017, 6:30 p.m. – 8:30 p.m., Brentwood Community Center, 35 Oak Street, Brentwood, CA 94513
- Thursday, July 27, 2017, 1:30 p.m. – 3:30 p.m., San Luis National Wildlife Refuge Complex Headquarters and Visitors Center, 7376 S. Wolfsen Road, Los Banos, CA 93635