

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

July 12, 2017

Board of Supervisors Chambers
Martinez, CA

August 9, 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 Alternate Diane Burgis.
Special District Members Mike McGill and Igor Skaredoff and Alternate Stanley Caldwell.
City Members Don Tatzin and Alternate Tom Butt.
Public Members Don Blubaugh and Alternate Sharon Burke.

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

4. Approval of the Agenda

Upon motion of Tatzin, second by Andersen, Commissioners, by a vote of 6-0, adopted the agenda.

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

5. Public Comments

There were no comments from the public.

6. Approval of May 10, 2017 Meeting Minutes

Upon motion of Andersen, second by Skaredoff, the minutes were approved by a vote of 6-0.

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

7. LAFCO 17-03 - Contra Costa Water District (CCWD) Sphere of Influence (SOI) Amendment

The Executive Officer provided background on this proposal, noting that this request to amend the sphere of influence of CCWD precedes an application to annex the same parcel and adjacent road right of way in order to extend treated water to the North Peak Equestrian Center, which currently boards up to 150 horses on a year-round basis and supports classes for children and community events. This parcel is outside the ULL; however, its groundwater system is no longer able to provide the necessary quantity or quality of water to serve the property according to County Environmental Health, which surveyed the property in June 2016 and concluded that municipal water through CCWD is the only available option that would resolve the water supply and water quality issues on the property.

DRAFT

Because the neighboring Castle Rock County Water District (CRCWD) is a community of interest, serving 79 parcels, it is appropriate to provide a brief update on the CCWD and CRCWD activities. 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 districts and 10 affected property owners; and 9 of the property owners have signed individual letters of intent to move forward with connecting to CCWD. In May 2017, the CCWD board authorized treated water service agreements with the interested property owners. As of July 3rd, four of the property owners have signed agreements with CCWD; and in April, the 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.

Commissioner Skaredoff asked if this action will affect CRCWD at all; staff responded that it will not.

Commissioners Blubaugh and McGill commended the districts for their efforts.

Upon motion of Tatzin, second by McGill, the Commissioners, by a 6-0 vote, approved the proposed expansion of CCWD's SOI, limited CCWD service to the existing structures, and determined that the project is exempt pursuant to CEQA Guidelines, Section 15319.

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

8. LAFCO Strategic Planning Workshop

Commissioner Blubaugh introduced the item and provided an opportunity for Commissioners to weigh in on the strategic planning workshop scheduled for Wednesday, September 13. He suggested the workshop at 11:00 a.m.; and indicated that it will be held at the Central Contra Costa Sanitary District Community Room. A working lunch will be part of the workshop.

Commissioner Tatzin noted that Commissioner Glover might have a conflict with another meeting, and suggested that staff check with him on his availability at that time.

Commissioner McGill suggested addressing some of the items from the recent CALAFCO U (*When LAFCO Opinions Collide*). Commissioner Tatzin requested an update on the planned office relocation and staffing expansion. He also asked for some time to talk about initiatives that the Commission might want to pursue.

Commissioner McGill requested a discussion on how to establish conditions assertively and effectively. Commissioner Burke asked for an update on unincorporated islands.

Commissioner Blubaugh added that he would like an update from Commissioners Burke and Tatzin on policies and procedures they are planning to address.

Commissioner McGill suggested that the Commission should look ahead to the one-year review of the Agricultural & Open Space Preservation Policy, which will be in November.

9. Special District Risk Management Authority (SDRMA) Board Election

Commissioner Blubaugh presented the results of the committee that reviewed candidates for the SDRMA Board Election. They recommended Michael Scheafer (Incumbent), Director/President, Costa Mesa Sanitary District; Timothy Unruh, District Manager, Kern County Cemetery District No. 1; Jean Bracy (Incumbent), Deputy Director - Administration, Mojave Desert Air Quality Management District; and David Aranda (Incumbent), General Manager, Mountain Meadows Community Services District for the open positions.

Upon motion of McGill, second by Tatzin, Commissioners, by a 6-0 vote, approved the subcommittee's recommendation; adopted Resolution No. 2017-02 containing the Official 2017 SDRMA Election Ballot; and directed staff to file the LAFCO resolution with SDRMA prior to August 29, 2017.

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

10. Financial Audit Report, Fiscal Year 2015-16

The Executive Officer presented the FY 2015-16 financial audit, reviewed by R.J. Ricciardi, Inc., whose auditor 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. The FY 2015-16 audit report also notes that *the economic condition of LAFCO as it appears on the Statement of Net Position reflects financial stability and the potential for organizational growth.*

Commissioner Tatzin noted the addition of the CCCERA prefunding this year and the benefit of earning interest on those funds, and thanked everyone for their good work.

Commissioners received and directed staff to file the audit report for Fiscal Year 2015-16.

11. Proposed Amendments to LAFCO Employee Benefit Plan

The Executive Officer reported that the County Human Resources Department recently notified LAFCO that the County has added several new health insurance plan options, and has also 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 County has asked that LAFCO amend its tier structure to coincide with the County's structure, which will become effective January 1, 2018.

Additionally, the current LAFCO Employee Benefit Plan includes a provision relating to participation in the County's catastrophic leave. 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's not feasible, and that LAFCO delete this provision from its benefit plan.

Upon motion of McGill, second by Andersen, Commissioners, by a 6-0 vote, approved the amendments to the LAFCO Employee Benefit Plan per Resolution 2017-01 and directed staff to confirm these changes with the County Human Resources Department.

AYES: Andersen, Blubaugh, Butt, McGill, Skaredoff, Tatzin
NOES: none

ABSENT: Glover (M)
ABSTAIN: none

12. 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 announced that Governor Brown has now signed AB 464 (Gallagher), which addresses out of agency service and subsequent annexations (in accordance with its policy, Contra Costa LAFCO had sent a letter to the Governor urging his signature).

Commissioner McGill added that he has been in attendance at the Legislative Committee meetings, and that, as usual, it's been fun.

13. 2016-2017 Contra Costa County Grand Jury Reports

The Executive Officer reported that the 2016-17 Grand Jury produced 12 reports, two of which are of interest to LAFCO: one on East Contra Costa FPD, directed at increasing funding and community outreach and communication, and another on CSA R-7 (Alamo Recreation & Park District), focusing on the district and the Alamo Municipal Advisory Council, with findings and recommendations aimed at developing a long-term plan for use of park funds, gauging and addressing community concerns, and meeting community park & recreation needs.

Discussion ensued among Commissioners regarding the need to provide LAFCOs with more power to address some of the needs pointed out in the Grand Jury reports; errors in the CSA R-7 report, and the County's response to the CSA R-7 report. Commissioner Burke suggested that the Grand Jury use LAFCO Municipal Services Reviews as a resource.

14. Correspondence - CALAFCO and CCCERA

There were no comments regarding correspondence.

15. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Legislative Committee meeting on June 23. He also attended the CALAFCO/CSDA Legislative Days in Sacramento on May 16 and 17.

Commissioner Butt reported that the City of Richmond is holding public hearings over the next few months on the topic of annexing North Richmond. They expect an action item in late September.

16. Staff Announcements

The Executive Officer had no announcements beyond the materials in the agenda packet.

The meeting adjourned at 2:07 p.m.

Final Minutes Approved by the Commission August 9, 2017.

AYES:
NOES:
ABSTAIN:
ABSENT:

By _____
Executive Officer