

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

August 9, 2017

Board of Supervisors Chambers
Martinez, CA

October 11, 2017
Agenda Item 5a

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 Member Alternate Diane Burgis.
Special District Members Mike McGill and Alternate Stanley Caldwell.
City Members Don Tatzin and Alternate Tom Butt.
Public Member Don Blubaugh.

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

4. Approval of the Agenda

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

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

5. Public Comments

There were no comments from the public.

6. Approval of July 12, 2017 Meeting Minutes

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

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

7. LAFCO 17-04 - North Peak Equestrian Center Annexation to Contra Costa Water District (CCWD)

The Executive Officer provided background on this proposal, noting that the proposed annexation of one parcel and adjacent road right of way will 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.

Commissioner Tatzin asked, given that this parcel is outside the ULL, if a condition can be added to the resolution limiting the water service to the current equestrian center purposes. The Executive Officer confirmed that such a condition will be added. Commissioner McGill asked about surrounding land uses, and Commissioner Burgis asked if the water quality/quantity issues

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are recent, and if there are more properties with similar challenges. Commissioner Butt commented on an equestrian center in Richmond and the importance of these facilities.

Mark Seedall, representing CCWD, and Peter Paul, the landowner, verified that this property is used strictly for the purposes outlined in the application and staff report.

The Chair opened and closed the public hearing; there were no persons to speak on the item.

Upon motion of Tatzin, second by McGill, the Commissioners, by a 6-0 vote, determined that the project is exempt pursuant to CEQA Guidelines, Section 15303 and 15319; approved the proposal to be known as North Peak Equestrian Center Annexation to Contra Costa Water District, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Blubaugh, Burgis (A), Butt (A), Caldwell (A), McGill, Tatzin

NOES: none

ABSENT: Andersen (M), Glover (M), Schroder (M), Skaredoff (M)

ABSTAIN: none

8. West Contra Costa Healthcare District Update

The Executive Officer provided brief background on WCCHD, the LAFCO special study completed in December 2016, and the decision by Commissioners to defer any action stemming from the study pending completion of the bankruptcy proceedings. The District and the County are currently working with the affected parties and bankruptcy team on a plan of adjustment, which deals primarily with financial matters. It is anticipated that the bankruptcy proceedings will conclude this year.

To minimize the District's operating costs under the bankruptcy plan, there is a desire to change from an elected board to a board of directors that is appointed by the County Board of Supervisors (BOS). On August 1, 2017, the BOS voted to seek special legislation to support such a change. Such legislation could be drafted to allow one or more members of the BOS to sit on the WCCHD's board of directors.

LAFCO is being asked to support the County's effort to seek special legislation to change the District's board from an elected board to a board that is appointed by the BOS. Pursuit of special legislation was one of the governance options identified in LAFCO's special study, as it would enable the continuation of the WCCHD and of critical healthcare services to West Contra Costa County.

In response to Commissioner McGill's question, LAFCO Legal Counsel Anderson noted that the bankruptcy attorneys would prefer to not have the uncertainty that might come with a LAFCO dissolution at this time; the change in District status could concern the bondholders.

Wendy Lack, Alliance of Contra Costa Taxpayers, spoke against special legislation and suggested that the County BOS has a clear conflict of interest as they have invested heavily in the District. She would prefer to see the District dissolved.

Commissioner McGill noted that if the District is dissolved, tax monies for health services would disappear, and he is concerned about West County residents having no access to health services at that point.

Commissioner Tatzin asked Legal Counsel Anderson if she had any comments. After noting that, as both County and LAFCO legal counsel, she too has an overriding concern about providing health services in West County.

Marilynne Mellander, West County resident, spoke in support of shutting down the District, and added that government should not be involved in health care. She is opposed to continuing the District in any way.

Colin Coffey, attorney for WCCHD, noted that the District supports pursuit of special legislation, thanked LAFCO for its process and requested that Commissioners approve a letter supporting the overall plan as put forward by the bankruptcy team.

Commissioner Butt asked Mr. Coffey if the District will continue to incur election costs if there is no special legislation; Mr. Coffey responded “yes.”

Following further questions and discussion regarding the District board’s autonomy from the County and future actions, upon motion of Butt, second by Burgis, the Commissioners, by a 6-0 vote, supported the pursuit of special legislation to change the WCCHD board from an elected board to a board of directors appointed by the BOS, found that this is a preferred governance option as it would enable the continuation of the WCCHD and of critical healthcare services to West Contra Costa County, and further directed staff to prepare and send a letter to the bankruptcy attorney confirming these findings and LAFCO’s position.

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

9. CALAFCO 2017 Annual Conference Material and Call for Board of Directors Candidates and Achievement Award Nominations

The Executive Officer presented the 2017 CALAFCO Annual Conference nomination materials to the Commission and asked for recommendations for any nominations and appointment of voting delegates.

Commissioners discussed options and declined to make any Board of Director or Achievement Award nominations for 2017.

Upon motion of McGill, second by Tatzin, Commissioners, by a 6-0 vote, designated Commissioner Blubaugh, as current chair, as the voting delegate for the upcoming annual conference.

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

Upon motion of Tatzin, second by Blubaugh, Commissioners, by a 6-0 vote, designated Commissioner McGill, as current vice chair, as the voting alternate for the upcoming annual conference.

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

10. Legislative Report – Update and Position Letters

The Executive Officer provided an update on the three bills (AB 1725, AB 464, AB 979) that CALAFCO is sponsoring this session: AB 1725 was amended and is on the Senate floor until session reconvenes on Aug 21st; AB 464 was signed by the Governor; and AB 979 is on the senate floor awaiting passage.

Included among the bills CALAFCO is tracking is SB 448 which deals with accountability of special districts and LAFCO's authority to dissolve them, and AB 1361 which essentially allows water districts to provide service to Indian tribal lands that are not within district boundaries and without going through the LAFCO approval process. Last month, CALAFCO issued two urgent calls for legislative action requesting that LAFCOs send letters supporting SB 448 and opposing AB 1361. Letters were sent, and CALAFCO staff has worked, and will continue to work, with the bill authors and staff on amendments.

Also, as a result of the June 22nd Little Hoover Commission (LHC) roundtable on special districts and LAFCOs, the LHC has developed a number of recommendations that focus on LAFCO, including providing one-time grant funding to assist LAFCOs with MSRs and special studies; ways to bolster LAFCO's authority such as in dissolving districts and through the protest proceedings; and enhancing transparency.

The Executive Officer added that Pamela Miller, CALAFCO Executive Director, is to be commended for her hard work with the Legislature.

11. Correspondence -CCCERA

There were no comments regarding correspondence.

12. Commissioner Comments and Announcements

Commissioner McGill reported that he will participate in a panel discussion at the annual conference on controversial LAFCO projects. He plans to focus his presentation on the transition of Mt. Diablo Health Care District to the Concord/Pleasant Hill Health Care District.

Commissioner McGill also reported that he will attend the CALAFCO Board meeting in Irving on August 18, and the CALAFCO Legislative Committee meeting by phone on August 25.

13. Staff Announcements

The Executive Officer reported that she attended the Contra Costa Special District Association in July and presented a LAFCO 101 at the Mayor Conference in August.

The meeting adjourned at 2:30 p.m.

Final Minutes Approved by the Commission September 13, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer