



## CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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### 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>

January 10, 2018 (Agenda)

January 10, 2018  
Agenda Item 9

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

### Reclamation District 2121 Update

Dear Members of the Commission:

In May and October 2017, the Commission received updates on the status of Reclamation District (RD) 2121, along with an overview of governance options pertaining to the future of this district. For additional background information, please refer to the May 10, 2017 staff report.

In conjunction with the October 2017 update, the Commission appointed a subcommittee composed of Commissioners Burgis, McGill and Skaredoff. The Commission directed the subcommittee to meet with the Bloomfield family and explain the LAFCO concerns and parameters regarding remaining an active independent special district. The Commission requested that the subcommittee report back to the full Commission in January 2018.

### DISCUSSION

**Background:** Since 2004, RD 2121 has struggled with administrative, governance and infrastructure matters. The 2009 and 2015 Municipal Service Reviews (MSRs) recommended dissolution of RD 2121. Consequently, in November 2015, the Commission, by resolution, adopted a zero sphere of influence (SOI) for RD 2121 signaling a future change of organization (e.g., dissolution).

RD 2121 was also reviewed in the 2015 Contra Costa County Grand Jury Report No. 1607 “*Delta Levees in Contra Costa County: How Well Do We Protect This Vital Safety System?*” This report raised concerns about the condition of the County’s levee system, and associated physical and financial risks.

Further, in January 2017, Contra Costa LAFCO received a letter from the State Controller’s Office (SCO) which identified RD 2121 as an inactive district and a candidate for dissolution.

LAFCO staff shared with RD 2121 the SCO's letter and LAFCO's response. Mr. Bloomfield, RD 2121 Board Member, contacted the LAFCO office and indicated that he was currently looking into State funding opportunities, does not wish for RD 2121 to be dissolved, and wishes to remain an inactive district. That being said, the District acknowledges the following:

- Only a portion of RD 2121 levees meet the State/Federal standards; the District is in the process of a multi-year levee stabilization project.
- RD 2121 lacks formal documents including a Capital improvement Plan (CIP), levee inspection procedures, and/or written inspection reports.
- RD 2121 has no website.
- RD 2121 has no reported expenditures or revenues; nor has the District prepared financial audits or reported its finances to the SCO, as required by law.
- RD 2121 is interested in State or Federal funding in the coming years, but has never applied for these funds.

***Subcommittee's Work:*** On November 1, 2017, the LAFCO subcommittee and staff met with Tom Bloomfield and toured the levee. We learned that RD 2121 was successful in acquiring fill material at little/no cost; and that the District has improved a portion of its levees, which, as reported by the District, now meets/exceeds FEMA standards. RD 2121 acknowledges that it has little/no funding, no assets, no financial documents, is inactive and does not currently function as a public agency.

In conjunction with the meeting/tour, Commissioner Burgis offered to assist RD 2121 with governance matters (e.g., posting meeting agendas, etc.). In addition, Commissioner Skaredoff indicated that the Contra Costa Resource Conservation District could assist RD 2121 with administrative matters (e.g., compliance, financial reporting, etc.).

As a follow-up to the meeting/tour, Commissioner McGill met with Mr. Bloomfield on December 4<sup>th</sup>, to discuss next steps. On December 12<sup>th</sup>, the subcommittee met and Commissioner McGill provided a summary of his meeting with Mr. Bloomfield. Commissioner McGill indicated that Mr. Bloomfield would prefer to remain a district so long as it doesn't require a lot of work (e.g., paperwork).

The subcommittee recognizes the importance of reclamation districts in protecting the levees and the Delta. The subcommittee also believes it is important that RD 2121 comply with statutory requirements. If RD 2121 wants to avoid dissolution by LAFCO, under new legislation (SB 448) RD 2121 will need to take actions by the end of this fiscal year to ensure that RD 2121 will not meet the criteria for an "inactive district." An "inactive district" is a special district that has had no financial transactions in the past year, has no assets, and has no outstanding debts, judgments, contracts, or claims. (Gov. Code §56042) If the State Controller's Office (SCO) labels RD 2121 an "inactive district" following the current fiscal year, LAFCO may be required to dissolve the district. (Gov. Code §56879(b), as amended by SB 448.) Further, the table below summarizes basic legal requirements that RD 2121 should consider taking to operate lawfully. The table also includes recommended activities to enhance fiscal responsibility, transparency and good governance. This list is not exhaustive, and RD 2121 trustees will need to determine how to comply with these requirements and recommendations.

<b>Basic Requirements</b>	<b>Recommended</b>
File financial reports with SCO	Maintain a website (posting of meeting agendas on the website is required once website is established)
Prepare financial audits and file audits with the SCO and LAFCO	Adopt bylaws (if adopted, bylaws must be filed with the Clerk-Recorder)
Comply with California Public Records Act	Adopt annual budget
Board Member Ethics Training (AB 1234); maintain training records for at least five years	Prepare a CIP
Comply with Election Code and Reclamation District law for elections and appointments	Prepare formal levee inspection procedures, and/or written inspection reports
Elect a Board President and Secretary	Adopt a reclamation plan
Hold Board meetings	Following approval of a reclamation plan, levy assessments to fund activities in the plan
Prepare and maintain Board meeting minutes	
Comply with competitive bidding and prevailing wage requirements	
Maintain an office and public records	
Comply with Ralph M. Brown Act (i.e., noticing and conduct of public meetings), the Public Records Act, and the Political Reform Act and FPPC regulations	
Maintain and administer oaths of office	
Provide current District officer information to Secretary of State for its roster of public agencies	

## **RECOMMENDATIONS**

As noted above, the “basic requirements” summarized in the table include those the district should implement to operate lawfully. The “recommended” activities, although not legally required, will enhance the District’s fiscal responsibility, transparency and good governance.

The subcommittee recommends that the Commission direct the subcommittee to communicate the required and recommended activities to Mr. Bloomfield, and request that RD 2121 provide an update on these activities by June 30, 2018.

Respectfully submitted,

*Diane Burgis, Mike McGill and Igor Skaredoff*

c: Tom Bloomfield, RD 2121