



## **NOTICE AND AGENDA FOR REGULAR MEETING**

DATE/TIME: Wednesday, June 13, 2018, 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.**

## **June 13, 2018 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 9, 2018 regular LAFCO meeting

### **OUT OF AGENCY SERVICE REQUESTS**

6. ***LAFCO 18-07 – City of Martinez – Wanda Way*** – consider a request by City of Martinez to extend municipal water service outside its jurisdictional boundary to a 0.65± acre parcel (APN 366-102-003) located on Wanda Way in unincorporated Alhambra Valley; and consider related actions under the California Environmental Quality Act (CEQA)

### **SPHERE OF INFLUENCE/BOUNDARY CHANGES**

7. ***LAFCO 17-11 – Kirkpatrick Drive Annexation to West County Wastewater District (WCWD)*** – On April 18, 2018, the Commission considered the annexation of 1.02± acres comprised of one parcel (APN 430-161-021) located at 39 Kirkpatrick Drive (0.763± acres) along with a partial parcel (APN 430-161-004) located on Argyle Road; both parcels are in unincorporated El Sobrante. The Commission's approval is subject to a protest hearing. On June 13<sup>th</sup>, the Commission will receive the results of the May 30<sup>th</sup> protest hearing.

### **BUSINESS ITEMS**

8. ***Financial Audit*** – receive and file the FY 2016-17 financial audit
9. ***Contract Extension – Lamphier-Gregory*** - consider authorizing staff to execute a one-year contract extension with Lamphier-Gregory, which provides environmental planning services to Contra Costa LAFCO
10. ***Legislative Update and Position Letters*** – receive legislative update and position letters
11. ***CALAFCO 2018 Conference Material and Call for Board of Directors Candidates and Achievement Award Nominations*** – receive the annual CALAFCO conference packet, appoint voting delegate(s), and provide direction regarding nominations and other matters as desired

### **CORRESPONDENCE**

12. Correspondence from Contra Costa County Employees' Retirement Association (CCCERA)

### **INFORMATIONAL ITEMS**

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

### **ADJOURNMENT**

*Next regular LAFCO meeting July 11, 2018 at 1:30 pm*

LAFCO STAFF REPORTS AVAILABLE AT [http://www.contracostalafco.org/meeting\\_archive.htm](http://www.contracostalafco.org/meeting_archive.htm)

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
MINUTES OF MEETING

May 9, 2018

Board of Supervisors Chambers  
Martinez, CA

June 13, 2018  
Agenda Item 5

1. Chair Mike McGill called the meeting to order at 1:32 p.m. and the Pledge of Allegiance was recited.
2. The Chair welcomed County Members Candace Andersen and Federal Glover to their renewed terms.
3. Roll was called. A quorum was present of the following Commissioners:  
County Member Candace Andersen and Alternate Diane Burgis.  
Special District Members Mike McGill and Igor Skaredoff and Alternate Stan Caldwell.  
Public Member Alternate Charles Lewis.  
  
Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda  
Upon motion of Andersen, second by Skaredoff, Commissioners approved the agenda unanimously, 5-0.  
  
AYES: Andersen, Burgis (A), Lewis (A), McGill, Skaredoff  
NOES: none  
ABSENT: Blubaugh (M), Glover (M), Schroder (M), Tatzin (M)  
ABSTAIN: none
5. Public Comments  
Godfrey Wilson, Los Medanos Community Healthcare District (LMCHD) Executive Director, provided an update on LMCHD's financial changes noting that the administrative portion of the budget has been reduced to 25%, and programs are now 75% of the total budget. The District is working with a number of nonprofit organizations on services and programs for homeless and low-income residents of the District. Commissioner McGill disclosed that he and Mr. Wilson had previously talked about district matters.
6. Approval of April 18, 2018 Meeting Minutes  
Upon motion of Andersen, second by Burgis, the April 18, 2018 meeting minutes were approved by a unanimous vote of 5-0.  
  
AYES: Andersen, Burgis (A), Lewis (A), McGill, Skaredoff  
NOES: none  
ABSENT: Blubaugh (M), Glover (M), Schroder (M), Tatzin (M)  
ABSTAIN: none
7. LAFCO 17-06 - Bay Point Regional Shoreline (BPRS) Annexation to Delta Diablo (DD)  
The Executive Officer noted that this proposal was submitted by East Bay Regional Park District (EBRPD) to annex 2.74± acres to DD, which includes a 2.58± acre portion of the BPRS along with a 0.16± acre strip of a Contra Costa Water District parcel, to facilitate an upgrade to the existing vault toilet restroom and allow for a flush toilet restroom at the BPRS staging area to better serve shoreline visitors. A corresponding application to expand the District's Sphere of Influence (SOI) was approved by the Commission last month.

**DRAFT**

The area proposed for annexation is located outside the countywide Urban Limit Line. Should the Commission approve the proposal, it is recommended that the annexation be conditioned on limiting sewer service to the EBRPD restroom facility.

In response to Commissioner Skaredoff's question about the water supply, Chris Barton, EBRPD Environmental Programs Manager, stated that the District is drilling a well on site and does not intend to connect to municipal water. Commissioners indicated their support for this project and for an upgraded restroom facility.

Chair McGill opened the public hearing.

Debra Mason, resident of Bay Point, stated that the question she had intended to ask was answered in the staff report.

Chair McGill closed the public hearing.

Upon motion of Skaredoff, second by Andersen, Commissioners unanimously, by a 5-0 vote, certified that it reviewed and considered the information contained in the CEQA documents; approved the proposal known as Bay Point Regional Shoreline Annexation to Delta Diablo, 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: Andersen, Burgis (A), Lewis (A), McGill, Skaredoff  
NOES: none  
ABSENT: Blubaugh (M), Glover (M), Schroder (M), Tatzin (M)  
ABSTAIN: none

*At 1:52 p.m., Commissioners Schroder and Tatzin (City members) arrived.*

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

The Executive Officer provided brief background, noting that the status of RD 2121 has been a concern of LAFCO's since the first MSR in 2009. For many years, RD 2121 has struggled with administrative, governance, financial and infrastructure matters as detailed in the 2009 and 2015 LAFCO Municipal Service Reviews (MSRs). In 2015, LAFCO adopted a zero SOI for RD 2121 signaling a future change in organization. Since that time, further developments and conversations with the landowners have confirmed that the District is inactive. In April, LAFCO received a letter from the District's representative thanking LAFCO for explaining the State requirements and for acknowledging the challenges faced by the District. The family has concluded that it can no longer remain an independent district.

In addressing the resolution initiating dissolution, Commissioners questioned the potential liability for the County, which is named a successor in the resolution, should the levees fail; and the potential for a catastrophic levee failure and impacts to surrounding areas. Staff noted that RD 2121 is inland, making the chance of inundation less likely. Commissioner Burgis asked about access to future funding should the District be dissolved. Staff responded that funding would be limited to that which a private landowner could receive. It was also noted that the District is a "paper" district with no assets; Commissioners wished to ensure that the County is not exposed to future obligations.

Upon motion of Andersen, second by Tatzin, the Commissioners, by a unanimous 7-0 vote, adopted the resolution, as amended (deleted the naming of Contra Costa County as successor agency); initiated dissolution; and directed LAFCO staff to work with the parties on dissolution subject to future consideration by the Commission.

AYES: Andersen, Burgis (A) Lewis (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none

ABSENT: Blubaugh (M), Glover (M)  
ABSTAIN: none

9. Fiscal Year 2018-19 Final Budget and Work Plan.

The Executive Officer presented the final budget for Fiscal Year 2018-19, which is comparable to the proposed budget presented in March. The final budget reflects an overall increase of 5%, which is attributable to relocation of the LAFCO office in September and enhanced staffing. The work plan also includes completing the city services MSR which is currently underway and initiating a second MSR. Commissioner Lewis requested clarification on revenues, which staff indicated were tied to application activity.

Chair McGill opened the public hearing.

Debra Mason, resident of Bay Point, asked that the work plan include a Recreation and Parks Services MSR, or a separate review of Ambrose Recreation and Park District, with an examination of the potential for dissolution of that district.

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, Burgis (A) Lewis (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: Blubaugh (M), Glover (M)  
ABSTAIN: none

10. Commissioner Comments and Announcements

Commissioner McGill reported that he attended a CALAFCO Executive Committee meeting on May 1, and a CALAFCO Legislative Committee meeting on May 4. He will attend the next CALAFCO Board meeting on May 11.

11. Staff Announcements

The Executive Officer reported that CALAFCO has begun planning for the 2018 Annual Conference, which will be held October 3-5 in Yosemite. Also, the Executive Officer took part in the CALAFCO Legislative Committee meeting on May 4.

The City Services MSR has launched, and staff and the consultants will attend the Public Managers' meeting on May 10 to present the plan and schedule.

The meeting adjourned at 2:15 p.m.

Final Minutes Approved by the Commission June 13, 2018.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

By \_\_\_\_\_  
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

June 13, 2018 (Agenda)

LAFCO 18-07

City of Martinez - Out of Agency Service Request (Wanda Way)

June 13, 2018  
Agenda Item 6

**SYNOPSIS**

This is a request by the City of Martinez to provide municipal water service outside its jurisdictional boundary to one parcel located on Wanda Way in the unincorporated Alhambra Valley. The parcel (APN 366-102-003) is 0.65± acre (see Attachment 1). The property owner proposes to build a single family residential unit.

The County zoning for the property is R-20 (Single Family Residential - 20,000 square foot minimum lot size), and the County's General Plan designation is SL (Single Family Residential – Low). The City's land use designation for the property is rural residential.

The subject parcel is located within the City of Martinez sphere of influence (SOI) and within the City's Urban Limit Line. There are houses on adjacent parcels along Wanda Way, along with vacant parcels in the area.

According to the application, the City is currently providing water service to the neighborhood surrounding the subject property. The area is also within the Central Contra Costa Sanitary District (CCCSD) service boundary.

**DISCUSSION**

Statutory Framework – Out of Agency Service – The Government Code (GC) and local LAFCO policies regulate the extension of out of agency service. GC §56133 states that “A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundary only if it first requests and receives written approval from the Commission.” Further, the law provides that LAFCO may authorize a city or district to provide new or extended services under specific circumstances: a) outside the agency's jurisdictional boundary but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundary and outside its SOI in response to an existing or impending threat to the public health or safety.

The Commission's current policies regarding out of agency service (Attachment 2) are consistent with State law in that annexations to cities and special districts are generally preferred for providing municipal services. However, there may be situations where health and safety, emergency service, or other concerns warrant out of agency service. Historically, out of agency service is considered a temporary measure, typically in response to an existing or impending public health and safety threat (e.g., failing septic system, contaminated well); or in anticipation of a future annexation.

City's Prior Commitment to Annexations – As noted in the 2008 and 2014 *Water/Wastewater* and the 2009 *Central County Sub-regional LAFCO Municipal Service Reviews (MSRs)*, the City is providing water services beyond its corporate limits to an estimated 1,500 water connections. The LAFCO MSRs recommend that the City of Martinez annex areas receiving city services, as appropriate. The MSRs note that the 1,500 water connections serve residents who do not have representation in terms of electing the Martinez City Council and governance issues. City staff indicates that those residents who receive out of agency water service have the right to address the City Council regarding policy decisions. Further, they have equal rights under Proposition 218 to protest water rate increases.

The City of Martinez has demonstrated commitment to annexing these unincorporated areas through prior actions including preparing fiscal studies analyzing the impacts of annexing these areas to the City (i.e., Alhambra Valley, North Pacheco, Mt. View); rezoning these areas; adopting resolutions affirming the City's pledge to annex these areas (i.e., Alhambra Valley, Mt. View); and prior annexation efforts including the successful annexation of a portion of Alhambra Valley, and the attempted annexation of North Pacheco, which was approved by LAFCO, but rejected by the voters. Further, the City requires property owner(s) to sign and record a deferred annexation agreement when applying for out of agency service.

While the City has taken actions in furtherance of future annexations of most of these areas, the outcome of the fiscal studies shows a negative fiscal impact to the City; thus, annexation of most of these areas, including the Alhambra Valley, is not financially viable.

Consistency with LAFCO Policies – The City has applied to LAFCO to extend out of agency water service to the subject property, which is located in the Alhambra Valley. There are currently no public health/safety issues on the property. The extension of water service will enable development of the property.

Contra Costa LAFCO's policies are consistent with GC §56133, in that out of agency service can be extended either in response to a threat to the health and safety of the public (e.g., failed septic system, contaminated or dry well, etc.), or in anticipation of annexation.

In addition, the LAFCO policies contain the following provisions which are relevant to this proposal:

3) *Objective – Out of agency service is generally not intended to support new development.*

The out of agency service request is intended to serve development of a single family residential unit. Further, given the size and topography of the lot, an onsite water system is not practical.

4) *Out of Agency Service Policies: General Statements*

- a) *Annexation to cities and special districts involving territory located within the affected agency's SOI is generally preferred to out of agency service.*

The subject parcel is not adjacent to the City boundary and cannot be annexed at this time.

- b) *LAFCO will consider applicable MSRs and discourage out of agency service extensions that conflict with adopted MSR determinations or recommendations.*

The previous LAFCO MSRs recommended annexing properties that are receiving, or will require, City water service, as appropriate. The City has committed to the future annexation of the Alhambra Valley.

- *If immediate annexation (i.e., within 12 months) is not a feasible alternative, then the extension of services may be approved in anticipation of a later annexation if the agency provides LAFCO with a resolution of intent to annex, as well as appropriate assurances (e.g., rezoning, plan for annexation, deferred annexation agreement, etc.) which demonstrate that out of agency service is an intermediate steps toward eventual annexation.*

The City has previously attempted to annex the Alhambra Valley and has been partially successful. To affirm its commitment to the future annexation of this area, the City Council adopted two resolutions affirming the City's intent to pursue annexation of this area. Further, the City has obtained and recorded a deferred annexation agreement on the subject parcel.

Water Supply to the Subject Property – The subject property is located in the Alhambra Valley, characterized as an established semi-rural community. The Alhambra Valley is partially served with water service through the City of Martinez and sewer service through CCCSD. The subject property is within the CCCSD service boundary.

The City indicates that it has adequate water to serve the subject property. According to the City, water service could be provided to the parcel from the City's existing 4-inch water main on Wanda Way. Infrastructure includes 45± linear feet of lateral one-inch diameter pipe, a water meter, and a backflow prevention device. The service line will be used for domestic water and fire supply. Due to the site elevation, a private booster pump (or equivalent) may be required to increase water pressure. The property owner is responsible for all site development, improvements and start-up costs including those associated with the domestic water system;

operational and maintenance costs will be funded through water service and water usage fees collected by the City of Martinez.

**Environmental Review** – The City of Martinez found the project exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15303(a), and has filed a Notice of Exemption. The LAFCO Environmental Coordinator has reviewed this document and finds it adequate for LAFCO purposes.

### **ALTERNATIVES FOR COMMISSION ACTION**

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation and determination of local agency boundaries, and facilitating the efficient provision of public services. The CKH provides that LAFCO can approve with or without amendments, wholly, partially, or conditionally, or deny a proposal. The statute also provides LAFCO with broad discretion in terms of imposing terms and conditions. The following options and recommended terms and conditions are presented for the Commission's consideration.

**Option 1**      **Approve** the out of agency service request as proposed and approve Resolution No. 18-07 (Attachment 3).

- A. Find that the project is exempt pursuant to section 15303(a) of the CEQA Guidelines, consistent with the determinations of the City of Martinez.
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 366-102-003 located on Wanda Way in the unincorporated Alhambra Valley subject to the following terms and conditions:
  - 1. Water infrastructure and service is limited to one single family residential unit,
  - 2. The City of Martinez has delivered to LAFCO an executed deferred annexation agreement (DAA), and the DAA was recorded as prescribed by law and runs with the land so that future landowners have constructive notice that their property is encumbered by the DAA, and
  - 3. The City of Martinez has delivered to LAFCO an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service.

**Option 2**      **Deny** the request, thereby prohibiting the City of Martinez from providing water service to the subject property.

**Option 4**      **Continue** this matter to a future meeting in order to obtain more information.

### **RECOMMENDATION**

**Option 1 – Approve out of agency service request** with conditions as noted.

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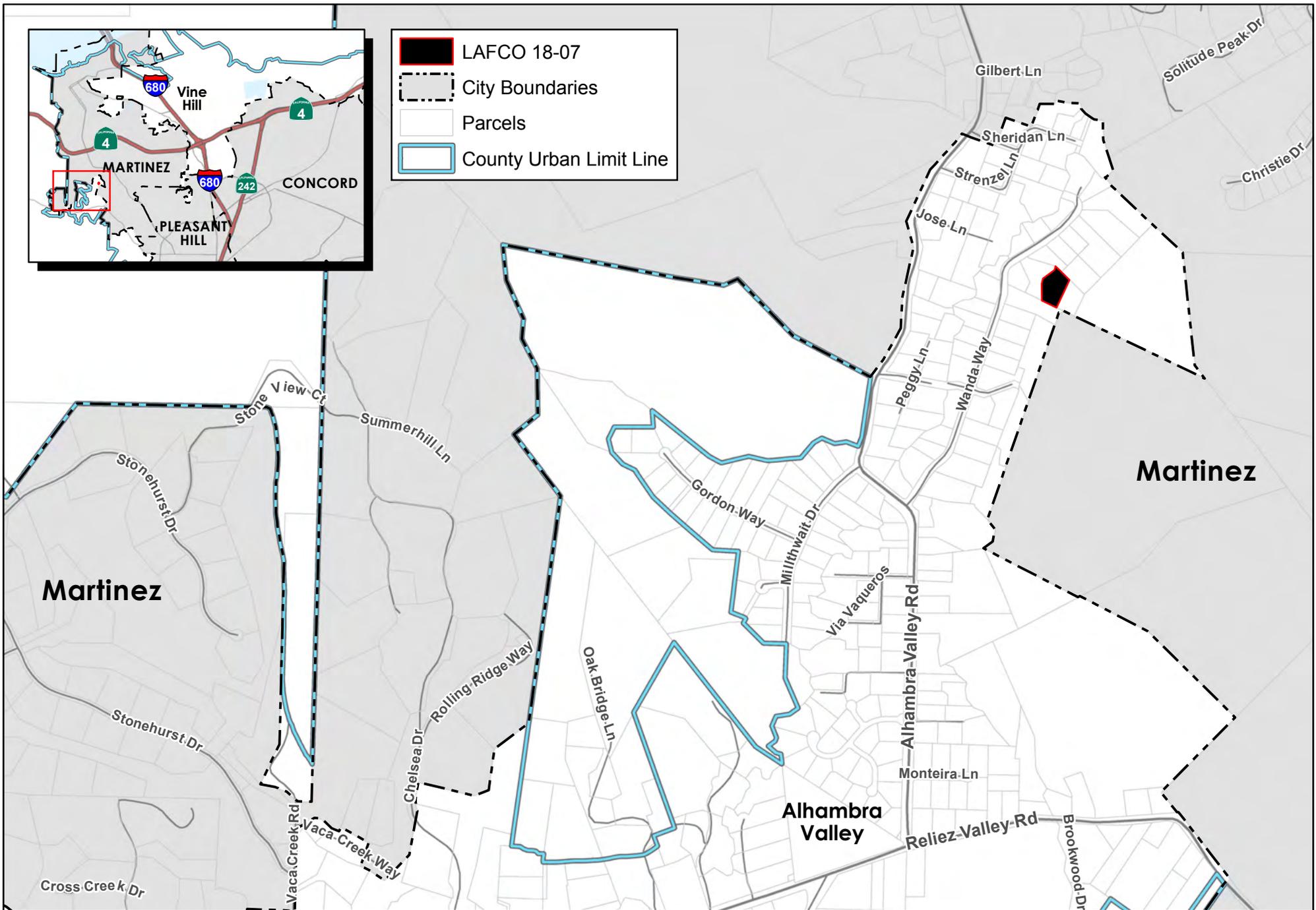
LOU ANN TEXEIRA, EXECUTIVE OFFICER  
CONTRA COSTA LAFCO

#### Attachments

- 1. Map of Wanda Way Parcel
- 2. LAFCO Policies for Out of Agency Service Agreements
- 3. Draft LAFCO Resolution 18-07

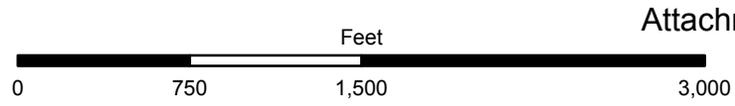
c:      Tim Tucker, City of Martinez  
         Michael and Jacqueline Mendez, Property Owners

# LAFCO No.18-07 City of Martinez Out of Agency Service (0 Wanda Way, 366-102-003)



Map created 06/04/2018  
 by Contra Costa County Department of  
 Conservation and Development, GIS Group  
 30 Muir Road, Martinez, CA 94553  
 37:59:41.791N 122:07:03.756W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



Attachment 1

## **2.1 POLICIES AND STANDARDS**

### **J. Policies for Out of Agency Service Agreements**

#### **I. Introduction**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) requires a city or special district to obtain written approval from LAFCO prior to providing new or extended service outside its jurisdictional boundary, with certain exceptions (Gov. Code §56133). This section of the CKH sets forth a two-pronged test or criteria under which requests for out of agency services may be approved: either in response to an existing or impending threat to the health or safety of the public, or in anticipation of a later change in organization (i.e., annexation) for areas within the subject agency's sphere of influence (SOI). Specific procedures for submitting an out of agency service application can be found in Contra Costa LAFCO's Commissioner Handbook, section 3.15 *Provision of Services by Contract*.

#### **II. Purpose**

The purpose of these policies is to guide the Commission in reviewing city and district requests to provide new or extended services by agreement outside their jurisdictional boundaries. This includes establishing policies and procedures to ensure that the application meets one of the two criteria under which approval may be granted, and to ensure consistency with respect to form, review and consideration of requests.

#### **III. Objective:**

The objective of these policies is to ensure that the extension of services by cities and districts outside their jurisdictional boundaries is logical and consistent with supporting orderly growth and development in Contra Costa County. Out of agency service is generally not intended to support new development.

#### **IV. Out of Agency Service Policies**

##### **A. General Statements**

- 1) Annexation to cities and special districts involving territory located within the affected agency's sphere of influence (SOI) is generally preferred to out of agency service.
- 2) LAFCO will consider applicable Municipal Service Reviews (MSRs) and discourage out of agency service extensions that conflict with adopted MSR determinations or recommendations.
- 3) Requests for out of agency service agreements are subject to the applicable provisions of the California Environmental Quality Act (CEQA).
- 4) Commission approval is not required for cities or districts to provide new or extended services outside their jurisdictional boundaries if any of the exemptions apply in accordance with §56133(e) – see Section 3.15 for exceptions. The Commission encourages cities and districts to work with the Executive Officer in determining when the statutory exemptions may apply.

## **B. Form of Request**

### **1. All Requests**

Requests to authorize out of agency service shall be filed with the Executive Officer by the affected city or district. The application shall be signed by an authorized representative of the city or district. Requests shall be made in writing with a completed LAFCO application, payment in the amount prescribed under the Commission's adopted fee schedule, appropriate environmental document, proposed service agreement, and an executed and recorded deferred annexation agreement (DAA) and waiver of property owner protest rights. The recorded DAA shall run with the land and be binding on all future owners of the property. An indemnification agreement will be required with each application.

All requests for out of agency service are subject to the applicable provisions of CEQA.

### **2. Requests Due to Health or Safety Emergency**

The Commission may authorize a city or district to provide new or extended services outside their jurisdictional boundary and outside or inside their SOI in response to an existing or impending threat to public health or safety ("emergency" – e.g., failing well or septic system) with documentation from the County Environmental Health Division, and in accordance with §56133(c) and LAFCO procedures. If LAFCO approves an emergency out of agency service request, and the city or district fails to initiate the provision of services within six months of the Commission's approval, the out of agency service approval shall expire, unless otherwise specified by LAFCO.

The Commission authorizes the LAFCO Executive Officer, in consultation with the Chair or Vice Chair, to approve a city's or district's request for out of agency service if there is an existing or impending public health or safety emergency, as documented by the County Environmental Health Division. The Executive Officer shall report to the Commission on his or her administrative approval of any emergency out of agency service agreements at the next regularly scheduled LAFCO meeting. Such administrative approval can be made if the following criteria are met:

- The property is currently developed
- The lack of service being requested constitutes an *immediate* (i.e., approval needed within two months) health and safety concern as documented by County Environmental Health
- There are physical restrictions on the property that prohibit a conventional service delivery method (i.e., septic tank, private well, etc.)

### **3. Requests in Anticipation of Annexation**

An out of agency service application must be accompanied by a change of organization or reorganization application, including an approved tax sharing agreement, in order for LAFCO to determine that the out of agency service is in anticipation of a change of organization (i.e., annexation) within the next 12 months. This dual application requirement may be waived in certain situations by the Commission if compelling justification is provided. Circumstances which may warrant such a waiver include, but are not limited to, the following:

- Lack of contiguity (e.g., city boundary) when the project was approved prior to 2011
- Service is only needed to serve a portion of a larger parcel, and annexation of the entire parcel is not desirable

- Other circumstances which are consistent with LAFCO statute and the policies of Contra Costa LAFCO

If immediate annexation (i.e., within 12 months) is not a feasible alternative, then the extension of services may be approved in anticipation of a later annexation if the agency provides LAFCO with a resolution of intent to annex, as well as appropriate assurances (e.g., rezoning, plan for annexation, deferred annexation agreement, etc.) which demonstrate that out of agency service is an intermediate steps toward eventual annexation.

### **C. Review of Request**

The Executive Officer shall review the request in accordance with CKH and LAFCO's policies and procedures.

### **D. Consideration of Request**

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation. The Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration in accordance with CKH and LAFCO's policies and procedures. The Executive Officer's written report will be made available to the public for review prior to the scheduled hearing and include an evaluation of the following factors:

- 1) The ability of the applicant to extend the subject service to the affected land without adversely affecting current service levels within the existing service boundary.
- 2) If the request is to address a health or safety emergency, whether the documentation satisfactorily demonstrates compliance with CKH and LAFCO policies and procedures.
- 3) If the request is in anticipation of future annexation, whether the application provides adequate assurances in furtherance of a future annexation.
- 4) The application's consistency with the policies and general plans of affected local agencies.
- 5) The application's effect on growth and development within and adjacent to the affected land; and whether the out of agency service extension will contribute to premature development of fringe areas or development in areas designated for non-urban uses.
- 6) Whether the proposal contributes to the premature conversion of agricultural land or other open space land.

The Commission and the Executive Officer, as authorized by the Commission, may approve the request for out of agency service with or without conditions, or may deny the request. Unless otherwise specified in the LAFCO resolution of approval, out of agency service is allowed for the subject application only, and any future extension or expansion of service is subject to LAFCO's approval.

If the request to provide out of agency service is approved or denied, the applicant may request reconsideration within 30 days citing the reasons for reconsideration.

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
AUTHORIZING THE CITY OF MARTINEZ TO PROVIDE OUT-OF-AGENCY WATER SERVICE  
TO APN 366-102-003 (WANDA WAY)**

WHEREAS, the above-referenced request has been filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission’s consideration of this request; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation; and

WHEREAS, out of agency service approval is needed in order to provide water services to the property in anticipation of a future annexation; and

WHEREAS, the City of Martinez and the property owners have entered into a Deferred Annexation Agreement in support of the future annexation of the property to the City of Martinez.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. Find that the project is exempt pursuant to section 15303(a) of the CEQA Guidelines, consistent with the determination of the City of Martinez.
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 366-102-003, located on Wanda Way in unincorporated Contra Costa County subject to the following terms and conditions:
  - 1. Water infrastructure and service is limited to one single family residential dwelling unit on the parcel,
  - 2. The City of Martinez has delivered to LAFCO an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service, and
  - 3. The City of Martinez and the property owner(s) have signed the deferred annexation agreement (DAA), and the DAA was recorded as prescribed by law and runs with the land so that future landowners have constructive notice that their property is encumbered by the DAA.
- C. Approval to extend City of Martinez services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

\* \* \* \* \*

PASSED AND ADOPTED AS REVISED THIS 13<sup>th</sup> day of June 2018, by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

\_\_\_\_\_  
Michael R. McGill, 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: June 13, 2018

\_\_\_\_\_  
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>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

June 13, 2018 (Agenda)

June 13, 2018  
 Agenda Item 7

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

**Results of Protest Hearing - Kirkpatrick Drive Annexation to West County Wastewater District**

Dear Commissioners:

At a public hearing on April 18, 2018, the Commission approved the Kirkpatrick Drive Annexation to the West County Wastewater District (WCWD). The subject area comprises 1.205± acres including one parcel (APN 430-161-021) and a portion of an adjacent parcel (APN 430-161-004). The parcels are located in unincorporated El Sobrante.

In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCO is the agency to conduct the protest hearing. The purpose of this protest hearing is to receive written protests from affected landowners regarding the proposal and determine whether a majority protest exists. With regard to this reorganization, which is uninhabited (i.e., contains fewer than 12 registered voters), the Commission shall take one of the following actions:

- **Order the annexation** if written protests have been filed by owners of land who own less than 50% of the total assessed land value within the subject territory; or
- **Terminate the proceedings** if written protests have been filed by landowners owning 50% or more of the assessed value of land in the subject area.

The protest hearing was properly noticed and held on May 30, 2018, at 1:30 pm in the LAFCO office located at 651 Pine Street, 6<sup>th</sup> Floor in Martinez. The hearing was conducted by the LAFCO Executive Officer, who is delegated the authority to conduct the protest hearing on behalf of the Commission. There was one attendee at the protest hearing (i.e., landowner/applicant), and LAFCO staff. No landowners filed a written protest; thus, the annexation is ordered.

**RECOMMENDATION:** Receive the results of the protest hearing, order the annexation, and direct staff to execute the determination (attached).

Sincerely,

Lou Ann Texeira  
 Executive Officer

c: Distribution List

Attached – LAFCO Certificate of Determination

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION**

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**DETERMINATION OF THE EXECUTIVE OFFICER OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION FINDING THERE ARE INSUFFICIENT WRITTEN PROTESTS TO TERMINATE THE PROCEEDINGS FOR THE KIRKPATRICK DRIVE ANNEXATION TO WEST COUNTY WASTEWATER DISTRICT (LAFCO 17-11)**

1. This action is taken pursuant to the Cortese Knox Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.) and policies of the Contra Costa Local Agency Formation Commission (hereafter Commission).

2. Proceedings for *Kirkpatrick Drive Annexation to the West County Wastewater District* were initiated by the landowner and filed with the Executive Officer of Contra Costa LAFCO in October 2017, proposing annexation of 39 Kirkpatrick Drive (0.763± acres).

3. On April 18, 2018, the Commission adopted Resolution No. 17-11, making determinations and approving the proposal subject to certain conditions. In conjunction with its approval, the Commission added to the annexation proposal a portion (0.442± acres) of an adjacent parcel on Argyle Road to correct another boundary issue. A true copy of said Resolution is attached hereto and incorporated by this reference, containing the terms and conditions of the Commission's approval of this proposal.

4. The purpose of the annexation is to bring the parcels into the WCWD service boundary.

5. Acting on delegated authority from the Commission, as Executive Officer, on May 30, 2018, I conducted a properly noticed public hearing to receive protests filed against the annexation and, following conclusion of the hearing, found that no landowners within the subject area filed written protests against the proposal.

6. Finding there are insufficient protests to terminate the proceedings, Contra Costa LAFCO hereby orders the annexation (LAFCO 17-11) subject to the terms and conditions contained within the Commission's resolution of approval.

This order is made on and is effective from June 13, 2018.

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Lou Ann Texeira, Executive Officer  
Contra Costa Local Agency Formation Commission



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>
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	Don Tatz in <i>City Member</i>

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Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

June 13, 2018 (Agenda)

June 13, 2018  
Agenda Item 8

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

**Financial Audit for Fiscal Year 2016-17**

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 2016-17. 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. There were no new state or federal regulations affecting the FY 2016-17 audit (attached). However, we anticipate new legislation (GASB 75) that will impact the FY 2017-18 audit.

The auditors found *LAFCO’s financial statements present fairly, in all material respects, the respective position of the governmental activities and major fund of Contra Costa LAFCO as of June 30, 2017. Further, that the economic condition of Contra Costa 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, 2017 (attached).

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Enclosure – FY 2016-17 Financial Audit

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

**R. J. RICCIARDI, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

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May 22, 2018

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, 2017. 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 June 8, 2017. 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 2017. 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 May 21, 2018.

**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, 2017**

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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, 2017, 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. 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, 2017, 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.

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  
May 22, 2018

Contra Costa Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017

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, 2017. 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, 2017

**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 \$52,705 due to an increase in the CCLAFCO budget and a corresponding increase in agency contributions. Actual revenues were greater than budgeted amounts by \$9,148 due primarily to an increase in application activity and corresponding applications fees.

General Fund actual expenditures were \$656,233, a decrease of \$67,534 from the prior year primarily due to a reduction in services and supplies purchases. Expenditures were \$117,500 less than budgeted due primarily to delayed relocation plans and reduced Municipal Service Review support costs.

**Governmental Activities**

Table 1  
Governmental Net Position

	2017 Governmental Activities	2016 Governmental Activities
Current assets	\$ 437,229	\$ 353,662
Total assets	437,229	353,662
Deferred outflows of resources (Note 7B)	171,194	203,760
Current liabilities	57,055	70,136
Noncurrent liabilities	439,089	482,876
Total liabilities	496,144	553,012
Deferred inflows of resources (Note 7B)	49,447	68,297
Net position:		
Unrestricted	62,832	(63,887)
Total net position	\$ 62,832	\$ (63,887)

Contra Costa Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 June 30, 2017

CCLAFCO's governmental net position amounted to \$62,832 as of June 30, 2017, an increase of \$126,719 from 2016. 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, 2017 comprised the following:

- Cash and investments comprised \$415,064 of cash on deposit with the Contra Costa County Treasury.
- Prepaid items totaling \$22,165.
- Accounts payable totaling \$44,930.
- Due to other government agencies totaling \$12,125.
- Net pension liability of \$359,329 (Note 7B) and retiree health liability of \$79,760 (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 \$62,832 of unrestricted net position as of June 30, 2017.

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

	2017	2016
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
<u>Expenses</u>		
Salaries and benefits	\$ 406,581	\$ 382,281
Services and supplies	<u>219,581</u>	<u>295,467</u>
Total expenses	<u>626,162</u>	<u>677,748</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	<u>29,148</u>	<u>48,446</u>
Total program revenues	<u>29,148</u>	<u>48,446</u>
General revenues:		
Intergovernmental	<u>723,733</u>	<u>651,730</u>
Total general revenues	<u>723,733</u>	<u>651,730</u>
Total revenues	<u>752,881</u>	<u>700,176</u>
<u>Change in net position</u>	<u>\$ 126,719</u>	<u>\$ 22,428</u>

As Table 2 above shows, \$29,148, or 5% of CCLAFCO's fiscal year 2017 governmental revenue, came from program revenues and \$723,733, or 95%, 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 \$29,148.

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, 2017

**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 6<sup>th</sup> Floor, Martinez, California 94553.

Contra Costa Local Agency Formation Commission  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
 June 30, 2017

	General	Adjustments (Note 9)	Statement of Net Position
<u>ASSETS</u>			
Cash and investments	\$ 415,064	\$ -	\$ 415,064
Prepaid items	22,165	-	22,165
Total assets	\$ 437,229	-	437,229
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources-pension (Notes 2F and 7)		171,194	171,194
 <u>LIABILITIES</u>			
Accounts payable	\$ 44,930	\$ -	44,930
Due to other governments	12,125	-	12,125
Long-term liabilities:			
Other post-employment benefits liability (Note 8)		79,760	79,760
Net pension liability (Note 7)	-	359,329	359,329
Total liabilities	57,055	439,089	496,144
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources-pension (Notes 2F and 7)		49,447	49,447
 <u>FUND BALANCES/NET POSITION</u>			
Fund balances:			
Unassigned fund balance	380,174	(380,174)	-
Total fund balances	380,174	(380,174)	-
Total liabilities and fund balances	\$ 437,229		
Net position:			
Unrestricted		62,832	62,832
Total net position		\$ 62,832	\$ 62,832

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, 2017

	General	Adjustments (Note 10)	Statement of Activities
Expenditures/expenses:			
Salaries and benefits	\$ 436,652	\$ (30,071)	\$ 406,581
Services and supplies	219,581	-	219,581
Total expenditures/expenses	656,233	(30,071)	626,162
Program revenues:			
Charges for services	29,148	-	29,148
Total program revenues	29,148	-	29,148
Net program expenses			(597,014)
General revenues:			
Intergovernmental	723,733	-	723,733
Total general revenues	723,733	-	723,733
Excess of revenues over (under) expenditures	96,648	(96,648)	-
Change in net position	-	126,719	126,719
Fund balance/Net position, beginning of period	283,526	(347,413)	(63,887)
Fund balance/Net position, end of period	\$ 380,174	\$ (317,342)	\$ 62,832

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

Contra Costa Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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, 2017

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, 2017

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, 2017 was \$415,064.

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, 2017, 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, 2017

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, 2017

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 PLAN

A. General Information about the Pension Plan

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, 2017, are summarized as follows:

	Miscellaneous Plans	
	Prior to January 1, 2013	On or after January 1, 2013
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, 2017

NOTE 7 - PENSION PLAN (continued)

A. General Information about the Pension Plan (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 the Plan is 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, 2017, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous Plans
Employer Contributions	\$ 93,060

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

As of June 30, 2017, CCLAFCO reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	\$ 359,329
Total Net Pension Liability	\$ 359,329

CCLAFCO's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016 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 the Plan as of June 30, 2016 was (0.030%) and 2017 (0.024%) which resulted in a decrease of (0.006%).

For the year ended June 30, 2017, CCLAFCO recognized pension expense of \$60,820. At June 30, 2017, 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, 2017

NOTE 7 - PENSION PLAN (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	\$ 93,060	\$ -
Differences between actual and expected experience	-	29,475
Changes in assumptions	10,398	7
Net difference between projected and actual earnings on pension plan investments	63,433	-
Change in proportion and differences between employer contributions and proportionate share of contributions	4,303	19,965
Total	\$ 171,194	\$ 49,447

The \$93,060 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			
2018		\$	7,172
2019			7,172
2020			7,172
2021			7,172
2022			-

Actuarial Assumptions - The total pension liabilities in the December 31, 2016 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	December 31, 2016
Measurement Date	December 31, 2016
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, 2017

NOTE 7 - PENSION PLAN (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, 2016.

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 the Plan, calculated using the discount rate for the 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, 2017

NOTE 7 - PENSION PLAN (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	\$359,329
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, 2017, CCLAFCO paid approximately \$18,609 for retiree healthcare plan benefits. As of July 1, 2016, the plan membership consisted of 2 active participants and 2 retirees and beneficiaries currently receiving benefits. CCLAFCO has set up a separate trust for OPEB contributions. The asset of the trust balance at June 30, 2017 was \$132,546.

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, 2017, 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, 2017

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

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

	2017
Annual Required Contribution	\$ 57,141
Interest on OPEB obligation	3,308
Adjustment to annual required contribution	<u>(4,783)</u>
Annual OPEB Cost (expense)	55,666
Contributions made	<u>(58,609)</u>
Increase (decrease) in net OPEB obligation	(2,943)
Net OPEB Obligation/ (Asset) - Beginning of year	<u>82,703</u>
Net OPEB Obligation/ (Asset) - End of year	<u><u>\$ 79,760</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, 2017, is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
6/30/16	\$ 50,655	\$ 58,990	116%	\$ 82,703
6/30/17	\$ 55,666	\$ 58,609	105%	\$ 79,760

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, 2016. In that valuation, the Alternate Measurement Method (AMM) was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual medical trend rate of 7.0% 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	\$ (49,447)
Deferred outflows related to pension	171,194
Other post-employment benefits liability	(79,760)
Net pension liability	(359,329)
Total fund balances – governmental funds	<u>380,174</u>
Net position of governmental activities	<u><u>\$ (62,832)</u></u>

Contra Costa Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2017

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	\$ 96,648
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	2,943
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>27,128</u>
Change in net position of governmental activities	<u>\$ 126,719</u>

Contra Costa Local Agency Formation Commission  
AUDITORS' INFORMATION  
June 30, 2017

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: May 22, 2018

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, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 723,733	\$ 723,733	\$ 723,733	\$ -
Charges for services	<u>20,000</u>	<u>20,000</u>	<u>29,148</u>	<u>9,148</u>
Total revenues	<u>743,733</u>	<u>743,733</u>	<u>752,881</u>	<u>9,148</u>
Expenditures:				
Salaries and benefits	403,257	403,257	436,652	(33,395)
Services and supplies	<u>370,476</u>	<u>370,476</u>	<u>219,581</u>	<u>150,895</u>
Total expenditures	<u>773,733</u>	<u>773,733</u>	<u>656,233</u>	<u>117,500</u>
Excess of revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,000)</u>	96,648	<u>\$ 126,648</u>
Fund balance, beginning of period			<u>283,526</u>	
Fund balance, end of period			<u>\$ 380,174</u>	
Contingency reserve	(80,000)	(80,000)		
OPEB trust	(40,000)	(40,000)		
Fund balance reserves	<u>150,000</u>	<u>150,000</u>		
Total	<u>\$ -</u>	<u>\$ -</u>		

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\*

	2017	2016	2015
Proportion of net pension liability	0.026%	0.027%	0.030%
Proportionate share of the net pension liability	\$ 359,329	\$ 400,173	\$ 364,601
Covered-employee payroll	\$ 211,319	\$ 208,810	\$ 202,859
Proportionate Share of the net pension liability as a percentage of covered employee payroll	170.04%	191.64%	179.73%
Plan fiduciary net position as a percentage of the total pension liability	84.16%	77.84%	79.57%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 93,060	\$ 103,349	\$ 97,935
Contributions in relation to the actuarially determined contributions	<u>(93,060)</u>	<u>(103,349)</u>	<u>(97,935)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 211,319	\$ 208,810	\$ 202,859
Contributions as a percentage of covered-employee payroll	44.04%	48.28%	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  
 Required Supplementary Information

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%
7/1/2016	82,301	543,966	461,665	15%	211,319	218%

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, 2016 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>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

June 13, 2018 (Agenda)

June 13, 2018  
 Agenda Item 9

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

**Contract Extension – Lamphier-Gregory**

Dear Commissioners:

Contra Costa LAFCO contracts with Lamphier-Gregory for “as-needed” environmental planning services. Under the contract, Nat Taylor, Senior Planner, supports LAFCO as follows:

- Reviews and provides comments on LAFCO applications and projects
- Reviews and provides comments on environmental documents prepared by outside agencies
- Assists with preparing environmental documents for LAFCO projects
- Assists with development of new, and reviews existing, LAFCO policies and procedures
- Attends LAFCO hearings, meetings with applicants, and other meetings as needed

The firm is familiar with projects and issues in Contra Costa County, and has extensive experience working with Contra Costa and other LAFCOs. The firm is currently working with LAFCO on various projects including several complex boundary change proposals and development of new policies. Given the firm’s exemplary work and familiarity with Contra Costa LAFCO issues, staff recommends an extension of the current contract, as provided for in the FY 2018-19 budget.

**RECOMMENDATION:** Authorize LAFCO staff to execute a one-year contract extension with Lamphier-Gregory extending the term of the contract through June 30, 2019. The amendment includes increases in hourly rates ranging from 6% (Senior Planner and Associate Planner) to 10% for Principal. The proposed rate increase is the third rate increase since the contract was first awarded in 2008; and the proposed rates are competitive with the market rates. The FY 2018-19 budget includes funding for as-needed contract planning services.

Sincerely,

Lou Ann Texeira  
 Executive Officer

Attachment: Amendment Agreement

c: Nat Taylor, Lamphier-Gregory  
 County Auditor-Controller

PO Number: \_\_\_\_\_

**AGREEMENT AMENDMENT**

Reference is made to that contract entered into on the 1<sup>st</sup> day of July 2011, by and between the Contra Costa Local Agency Formation Commission and Lamphier Gregory.

Said contract is hereby amended:

TERM will be from July 1, 2011 through **June 30, 2019**.

HOURLY RATES (Exhibit B) are amended as follows:

Principal	\$250/hour
Senior Planner	\$190/hour
Associate Planner	\$180/hour

This amendment is effective July 1, 2018.

IN WITNESS THEREOF, the parties hereto have executed this amendment this 13<sup>th</sup> day of June 2018.

CONTRA COSTA LAFCO

CONTRACTOR  
LAMPHER GREGORY

By: \_\_\_\_\_  
LAFCO Executive Officer

By: \_\_\_\_\_

Taxpayer ID#: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
LAFCO Legal Counsel

I hereby certify under penalty of perjury that the Executive Officer of the Contra Costa LAFCO was duly authorized to execute this document on behalf of the Contra Costa LAFCO by a majority vote of the Commission on June 13, 2018.

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Contra Costa LAFCO Clerk



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 Tatz in <i>City Member</i>

**ALTERNATE MEMBERS**

Diane Burgis <i>County Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

June 13, 2018

June 13, 2018  
 Agenda Item 10

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 second year of a two-year legislative session in Sacramento. This year, CALAFCO is sponsoring two bills: **AB 3254** (Assembly Local Government Committee), the annual omnibus bill; and **AB 2258** (Caballero), which would provide one-time grant funding to LAFCOs to prepare reorganization studies in conjunction with the 2017 Little Hoover Commission report relating to special districts. CALAFCO is also tracking a number of bills that have direct and indirect impact on LAFCOs (see Attachment 1 - CALAFCO Legislative Report).

On May 17<sup>th</sup>, CALAFCO issued a call for legislative action requesting that each LAFCO send letters of support for the following bills which will impact LAFCOs.

**AB 2238** (Aguiar-Curry) In its review of a proposal, the Commission considers 16-19 different factors, depending on the type of proposal. **AB 2238** would add an additional factor requiring the Commission to also consider *information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code*, if it is determined that such information is relevant to the area that is the subject of the proposal.

**AB 2268** (Reyes) This bill restores funding for inhabited annexations. Payments come from ERAF which is backfilled from the general fund. CALAFCO has historically supported this bill each year. Attached is also a fact sheet on the bill.

**SB 929** (McGuire) This bill requires all independent special districts to have a website by January 1, 2020, unless certain exemption standards have been met – see attached fact sheet.

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, letters of support for the above referenced bills were sent in May.

**RECOMMENDATION** – Receive legislative update.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachment 1 - CALAFCO Legislative Update – June 6, 2018

Attachment 2 - Letter of Support - AB 2238

Attachment 3 – Letter of Support – AB 2268

Attachment 4 – VLF Annexation Fact Sheet (AB 2268)

Attachment 5 – Letter of Support - SB 929

Attachment 6 – SB 929 Fact Sheet

## CALAFCO Daily Legislative Report as of Wednesday, June 06, 2018

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### [AB 2050](#) (Caballero D) Small System Water Authority Act of 2018.

**Current Text:** Amended: 5/25/2018 [html](#) [pdf](#)

**Introduced:** 2/6/2018

**Last Amended:** 5/25/2018

**Status:** 5/31/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with one or more state or federal primary drinking water standard maximum contaminant levels as of December 31, 2018, and for 4 consecutive quarters, as specified.

**Position:** Watch

**Subject:** LAFCo Administration, Municipal Services, Water

**CALAFCO Comments:** This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

CALAFCO continues to work with the author and sponsor on additional amendments including giving the authority to levy fines to the SWRCB (rather than the LAFCo); addressing process and timing issues/details; and ensuring codification in CKH.

### [AB 2238](#) (Aguiar-Curry D) Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste.

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/3/2018

**Status:** 5/24/2018-Referred to Com. on GOV. & F.

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

**Calendar:**

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would require the

commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or maps that identify land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

**Attachments:**

[CALAFCO Support Letter May 2018](#)

**Position:** Support

**Subject:** Climate Change, Growth Management

**CALAFCO Comments:** This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The bill also adds two non-LAFCo-related sections pertaining to the update of a housing element.

This bill is in response to the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

**[AB 2258](#) (Caballero D) Local agency formation commissions: grant program.**

**Current Text:** Amended: 4/23/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/23/2018

**Status:** 5/31/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

**Attachments:**

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

**Position:** Sponsor

**Subject:** Other

**CALAFCO Comments:** This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. CALAFCO is working with the Strategic Growth Council (SGC) who has agreed to administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on December 31, 2023.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to a majority protest (mirroring existing language in Government Code Section 57077.1.c). For all other changes of organization or

reorganization pursuant to this section, the threshold would be 25% rather than 10%, in accordance with Government Code Section 57075.

A separate budget ask of \$2 million over 5 years is being done as a companion to this bill.

**AB 2600 (Flora R) Regional park and open space districts.**

**Current Text:** Introduced: 2/15/2018 [html](#) [pdf](#)

**Introduced:** 2/15/2018

**Status:** 5/3/2018-Referred to Com. on GOV. & F.

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

**Summary:**

Would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

**Attachments:**

[CALAFCO Support\\_March 2018](#)

**Position:** Support

**CALAFCO Comments:** This bill would expand the process of initiating the formation of a regional pack and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact.

The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

**AB 3254 (Committee on Local Government) Local government organization: omnibus.**

**Current Text:** Amended: 5/17/2018 [html](#) [pdf](#)

**Introduced:** 3/14/2018

**Last Amended:** 5/17/2018

**Status:** 5/30/2018-Referred to Com. on GOV. & F.

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

**Calendar:**

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

**Attachments:**

[CALAFCO Support](#)

**Position:** Sponsor

**CALAFCO Comments:** This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO. Amendments are pending to add several items.

**SB 1215 (Hertzberg D) Provision of sewer service: disadvantaged communities.**

**Current Text:** Amended: 4/30/2018 [html](#) [pdf](#)

**Introduced:** 2/15/2018

**Last Amended:** 4/30/2018

**Status:** 5/29/2018-Read third time. Passed. (Ayes 30. Noes 8.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

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

**Summary:**

This bill would authorize the State Water Resources Control Board to order the provision of sewer service by a special district, city, or county to a disadvantaged community, as defined, under specified circumstances. By authorizing the state board to require a special district, city, or county to provide sewer service, this bill would impose a state-mandated local program.

**Position:** Watch With Concerns

**Subject:** Disadvantaged Communities, Water

**CALAFCO Comments:** As amended, this bill authorizes the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88 giving the SWRCB authority to mandate the same for drinking water systems.

The current version includes a number of amendments that address previous CALAFCO concerns. However, there is an outstanding issue of annexing territory to which services were extended into a city. (The bill does now call for a mandatory annexation into a district should the services be extended by them.)

**SB 1496 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/1/2018 [html](#) [pdf](#)

**Introduced:** 3/1/2018

**Status:** 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 23, Statutes of 2018.

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

**Summary:**

This bill would enact the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[CALAFCO Support March 2018](#)

**Position:** Support

**SB 1497 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/1/2018 [html](#) [pdf](#)

**Introduced:** 3/1/2018

**Status:** 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 24, Statutes of 2018.

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

**Summary:**

This bill would enact the First Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[CALAFCO Support March 2018](#)

**Position:** Support

**Subject:** LAFCo Administration

**SB 1499 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/1/2018 [html](#) [pdf](#)

**Introduced:** 3/1/2018

**Status:** 6/1/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 25, Statutes of 2018.

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

**Summary:**

This bill would enact the Third Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[CALAFCO Support March 2018](#)

**Position:** Support

**Subject:** LAFCo Administration

**[AB 2268](#) ([Reyes](#) D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Amended: 4/16/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/16/2018

**Status:** 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/2/2018)

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

**Summary:**

for the 2018–19 fiscal year, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2017–18 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2017–18 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

**Attachments:**

[CALAFCO Support Letter May 2018](#)

**Position:** Support

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations.

**[AB 2491](#) ([Cooley](#) D) Local government finance: vehicle license fee adjustment amounts.**

**Current Text:** Amended: 4/2/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amended:** 4/2/2018

**Status:** 5/25/2018-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 4/25/2018)

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

**Summary:**

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter. This bill contains other related provisions and other existing laws.

**Attachments:**

[CALAFCO Support March 2018](#)

**Position:** Support

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

**[AB 2501](#) ([Chu](#) D) Drinking water: consolidation and extension of service.**

**Current Text:** Amended: 4/17/2018 [html](#) [pdf](#)

**Introduced:** 2/14/2018

**Last Amended:** 4/17/2018

**Status:** 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "disadvantaged community" for these purposes to also include a disadvantaged community that is served by a state small water system or domestic well.

**Position:** Watch With Concerns

**Subject:** Disadvantaged Communities, Water

**AB 1889 (Caballero D) Santa Clara Valley Water District.**

**Current Text:** Amended: 4/4/2018 [html](#) [pdf](#)

**Introduced:** 1/18/2018

**Last Amended:** 4/4/2018

**Status:** 5/10/2018-Referred to Com. on GOV. & F.

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

**Summary:**

The Santa Clara Valley Water District Act authorizes the district to impose special taxes at minimum rates according to land use category and size. The district act authorizes the district to provide an exemption from these taxes for residential parcels owned and occupied by one or more taxpayers who are at least 65 years of age, or who qualify as totally disabled, if the household income is less than an amount approved by the voters of the district. This bill would authorize the district to require a taxpayer seeking an exemption from these special taxes to verify his or her age, disability status, or household income, as prescribed.

**Position:** Watch

**AB 2019 (Aguilar-Curry D) Health care districts.**

**Current Text:** Amended: 4/30/2018 [html](#) [pdf](#)

**Introduced:** 2/5/2018

**Last Amended:** 4/30/2018

**Status:** 5/24/2018-Referred to Com. on GOV. & F.

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

**Calendar:**

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

**Summary:**

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. The bill would require a district that is authorized and elects to use the design-build process, as specified, for the construction of housing to require that at least 20% of the residential units constructed be subject to a recorded affordability restriction for at least 55 years and be affordable to lower income households, very low income households, extremely low income households, and persons and families of low or moderate income, as defined, unless the city, county, or city and county in which the district is predominantly located has adopted a local ordinance that requires a greater percentage of the units be affordable to those groups. This bill contains other related laws and provisions.

**Position:** Watch

**CALAFCO Comments:** This bill places a number of statutory requirements on healthcare districts (HCDs). One provision that directly affects LAFCo is the HCDs will be required to notify their respective LAFCo when they file for bankruptcy.

**AB 2179 (Gipson D) Municipal corporations: public utility service: water and sewer service.**

**Current Text:** Introduced: 2/12/2018 [html](#) [pdf](#)

**Introduced:** 2/12/2018

**Status:** 5/30/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

**Position:** Watch

**Subject:** Municipal Services

**AB 2262 (Wood D) Coast Life Support District Act: urgent medical care services.**

**Current Text:** Amended: 4/16/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/16/2018

**Status:** 5/3/2018-Referred to Coms. on GOV. & F. and HEALTH.

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

**Calendar:**

6/13/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

**Summary:**

Current law, the Coast Life Support District Act, establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services.

**Attachments:**

[CALAFCO Oppose Unless Amended](#)

[CALAFCO Support as amended](#)

**Position:** Support

**Subject:** LAFCo Administration, Special District Powers

**CALAFCO Comments:** This is a single district bill in which the district is seeking to add the power of providing urgent care (actually to codify powers they have been performing for a number of years). As amended, the bill cleans up the outdated reference to the Act and adds a provision requiring the district to seek LAFCo approval to activate the new power. As a result of these amendments, CALAFCO has removed our opposition and now supports the bill.

**AB 2339 (Gipson D) Water utility service: sale of water utility property by a city.**

**Current Text:** Amended: 4/3/2018 [html](#) [pdf](#)

**Introduced:** 2/13/2018

**Last Amended:** 4/3/2018

**Status:** 6/4/2018-In Senate. Read first time. To Com. on RLS. for assignment.

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

**Summary:**

Would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the specified procedures, only if the potentially subsumed water system is wholly within the boundaries of the city, if the city determines that it is uneconomical and not in the public interest to own and operate the public utility, and if certain requirements are met. The bill would prohibit the city from selling the public utility for one year if 50% of interested persons, as defined, protest the sale.

**Position:** Watch  
**Subject:** Water

**SB 522 (Glazer D) West Contra Costa Healthcare District.**

**Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)

**Introduced:** 2/16/2017

**Last Amended:** 1/3/2018

**Status:** 4/19/2018-Referred to Com. on L. GOV.

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

**Calendar:**

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Current law provides for the formation of local health care districts and specifies district powers. Under existing law, the elective officers of a local health care district consist of a board of hospital directors consisting of 5 members, each of whom is required to be a registered voter residing in the district and whose term shall be 4 years, except as specified. This bill would dissolve the existing elected board of directors of the West Contra Costa Healthcare District, effective January 1, 2019, and would require the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board, as specified.

**Position:** Watch  
**Subject:** Special Districts Governance

**SB 561 (Gaines R) Fallen Leaf Lake Community Services District: elections.**

**Current Text:** Amended: 5/10/2018 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amended:** 5/10/2018

**Status:** 5/10/2018-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:**

6/20/2018 1:30 p.m. - State Capitol, Room 444 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Under current law, the Fallen Leaf Lake Community Services District is a resident voting district. This bill would require the El Dorado County elections official, with the assistance of the Fallen Leaf Lake Community Services District, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill.

**Position:** Watch  
**Subject:** Special Districts Governance

**SB 623 (Monning D) Water quality: Safe and Affordable Drinking Water Fund.**

**Current Text:** Amended: 8/21/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amended:** 8/21/2017

**Status:** 9/1/2017-From committee: Without recommendation. (Ayes 11. Noes 0.) (September 1) Re-referred to Com. on RLS.

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

**Summary:**

Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the board to administer the fund to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking

water service and infrastructure. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, bequests, and settlements from parties responsible for contamination of drinking water supplies.

**Position:** Watch  
**Subject:** Water

**SB 778 (Hertzberg D) Water systems: consolidations: administrative and managerial services.**

**Current Text:** Amended: 7/13/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amended:** 7/13/2017

**Status:** 9/1/2017-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. on 8/23/2017)(May be acted upon Jan 2018)

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

**Summary:**

Would require, on or before March 1, 2018, and regularly thereafter, as specified, the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after July 1, 2014. The bill would require the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate supply of safe drinking water to the communities served by the consolidated water systems.

**Position:** Watch  
**Subject:** Municipal Services

**SB 929 (McGuire D) Special districts: Internet Web sites.**

**Current Text:** Amended: 3/6/2018 [html](#) [pdf](#)

**Introduced:** 1/25/2018

**Last Amended:** 3/6/2018

**Status:** 4/30/2018-Referred to Com. on L. GOV.

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

**Calendar:**

6/13/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its Internet Web site and directing a member of the public to the Web site, as specified. This bill would, beginning on January 1, 2020, require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. Because this bill would require local agencies to provide a new service, the bill would impose a state-mandated local program.

**Attachments:**

[CALAFCO Support Letter May 2018](#)

**Position:** Support

**SB 1498 (Committee on Governance and Finance) Local Government Omnibus Act of 2018.**

**Current Text:** Amended: 4/18/2018 [html](#) [pdf](#)

**Introduced:** 3/1/2018

**Last Amended:** 4/18/2018

**Status:** 5/25/2018-Referred to Com. on L. GOV.

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

**Summary:**

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

**Position:** Watch

**CALAFCO Comments:** This is the annual Senate Governance & Finance Committee Omnibus bill.

Total Measures: 23

Total Tracking Forms: 23

6/6/2018 9:55:35 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

## MEMBERS

Candace Andersen  
 County Member  
 Donald A. Blubaugh  
 Public Member  
 Federal Glover  
 County Member

Michael R. McGill  
 Special District Member  
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 City Member

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 Tom Butt  
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 Stanley Caldwell  
 Special District Member  
 Charles R. Lewis, IV  
 Public Member

May 21, 2018

Assembly Member Cecilia Aguiar-Curry  
 California State Assembly  
 State Capital Room 5144  
 Sacramento, CA 95814

***Subject: Support of Assembly Bill 2238 (as amended April 3, 2018)***

Dear Assembly Member Aguiar-Curry:

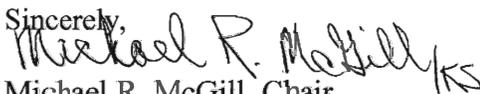
The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **AB 2238** as amended April 3, 2018. Of specific interest to LAFCOs is the provision requiring the commission *to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or land determined to be in a state responsibility area if it is determined that such information is relevant to an area that is the subject of the proposal.*

When reviewing proposals for changes of organization or reorganizations, it is important for LAFCOs to consider whether or not the proposal is consistent with a city or county general plan and other types of growth plans. Further, considering the impact of specific potential fire hazard threats is an important part of smart growth and development planning. As we collectively work to adapt and evolve in the way we respond to the impacts of climate change, these kinds of considerations are important in balancing orderly growth and climate adaptation efforts.

Because **AB 2238** is aligned with CALAFCO's policy to use LAFCO resources to review growth plans to ensure reliable services, orderly growth and sustainable communities, Contra Costa LAFCO is pleased to support this bill.

Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

  
 Michael R. McGill, Chair  
 Contra Costa LAFCO

c: Debbie Michel, Chief Consultant, Assembly Local Government Committee  
 Anton Favorini-Csorba, Consultant, Senate Governance & Finance Committee  
 Ryan Eisberg, Consultant, Senate Republican Caucus  
 Pamela Miller, Executive Director, CALAFCO

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 Special District Member

Charles R. Lewis, IV  
 Public Member

May 21, 2018

Assembly Member Eloise Gómez Reyes  
 California State Assembly  
 State Capital Room 2175  
 Sacramento, CA 95814

***Subject: Support of Assembly Bill 2268 (as amended April 2, 2018)***

Dear Assembly Member Reyes:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of ***AB 2268 as amended April 2, 2018***. This bill would restore funding to an estimated 140 cities that had annexed inhabited territory in reliance on previous financial incentives, and then suffered significant fiscal harm when those funds were swept away due to the passage of SB 89 (2011). AB 2268 also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with LAFCO policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. It also created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature directed LAFCOs to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCOs to follow this legislative directive.

There are a number of inhabited areas in Contra Costa County, some of which are disadvantaged, that could benefit from annexation to a city. However, some cities are reluctant to annex these areas due to lack of revenues to provide services these areas, many of which have deteriorating infrastructure (e.g., roads, drainage systems, etc.). Without financial incentive, some of these disadvantaged communities may never be annexed to cities.

Reinstating revenues for annexations is consistent with statewide LAFCO legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because ***AB 2268*** reinstates a critical funding component to cities that previously annexed inhabited territory and did so relying on this financing, and to those cities that annex inhabited territory in the future, Contra Costa LAFCO supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me should you have questions regarding our position.

Sincerely,

Michael R. McGill, Chair

Contra Costa LAFCO

c: Pamela Miller, Executive Director, CALAFCO  
 Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

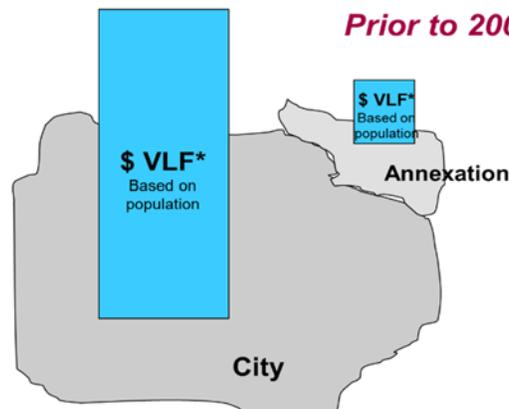
## Restoring Property Tax in Lieu of VLF to Annexations: An Explainer

1. **Prior to the VLF Swap of 2004**, Vehicle License Fee (VLF) revenues were collected and allocated statewide among cities and counties. After special allocations and allocations to counties, the city share of statewide VLF was allocated according to the population of each city (i.e. per capita).

When a city annexed an area, the population residing in the annexed area would result in additional VLF revenue to the city.

### Vehicle Lic Fee \$ Allocation

*Prior to 2004*

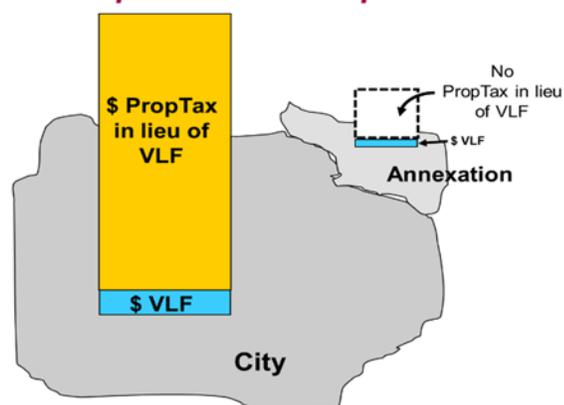


\*includes backfill from state general fund for VLF tax cut

2. **The VLF Swap of 2004** contained provisions excluding annexations from growing city Property-Tax-in-Lieu-of-VLF amounts (referred to in statute as a "VLF Adjustment Amount" in statute). Only growth on assessed valuation *after* annexation would boost the city's Property-Tax-in-Lieu-of-VLF. This severely disincentivized annexations of already developed areas (i.e., inhabited).

### Vehicle Lic Fee \$ Allocation

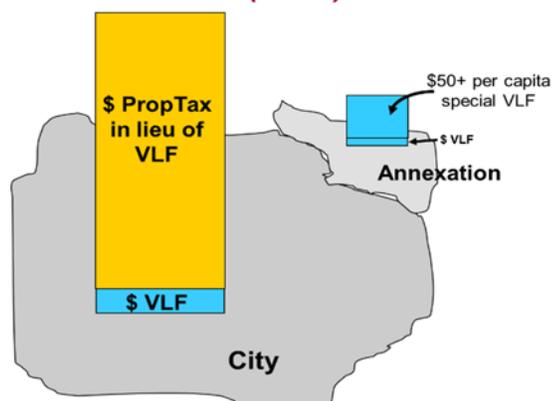
*With PropTax – VLF Swap of 2004*



3. **AB1602 (Laird)**, signed into law in 2006, provided a special allocation from the remaining city VLF to compensate for the lack of Property-Tax-in-Lieu-of-VLF for annexations.

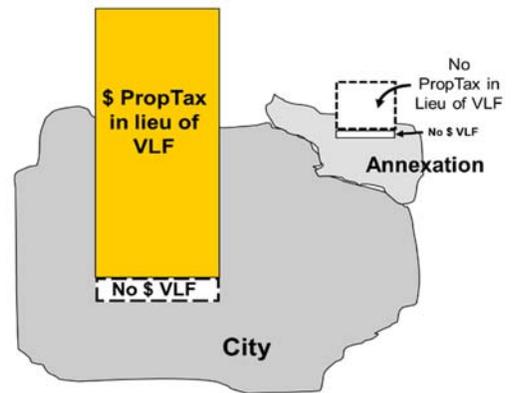
### Vehicle Lic Fee \$ Allocation

*With AB1602 (Laird) 2006*



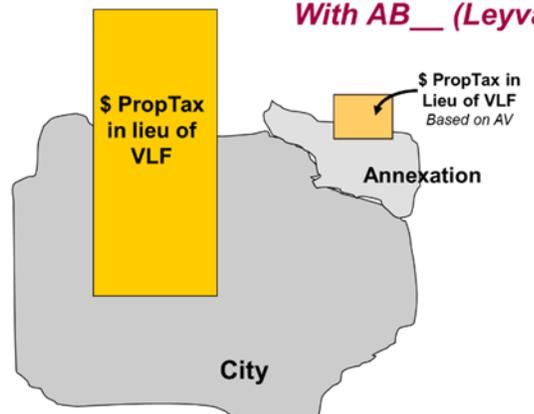
4. **SB89 of 2011** wiped out the remaining city VLF and with it, the special allocations to new cities. SB89 took city VLF revenues to fund programs previously paid from the state general fund. 140 annexing cities lost revenues they had been receiving under AB1602.

### Vehicle Lic Fee \$ Allocation With SB89 2011



5. **AB2268 (Reyes)** would provide Property-Tax-In-Lieu-of-VLF revenues to cities for annexations beginning in FY2018-19. In addition it would restore revenues to cities that lost special AB1602(2006) annexation revenues due to SB89(2011).

### Vehicle Lic Fee \$ Allocation With AB\_\_ (Leyva)



6. **Formulas in AB2268 (Reyes)** mirrors the way Property-Tax-In-Lieu-of-VLF functions for all other city growth, increasing the city's Property-Tax-In-Lieu-of-VLF amount by the growth in AV from the annexation.

**VLFAA Increased for Lost AB1602 Revenues.** AB2268(Reyes) would restore the AB1602(2006) annexation VLF amounts lost by cities with SB89(2011). The amounts would be added to each city's VLFAA beginning in FY2018-19.

$$V_{18-19} = V_{17-18} + (V_{18-19} \times \%change\ from\ AV_{17-18}\ to\ AV_{18-19}) + (N_{10} \times 1.17)$$

... where:

**V<sub>18-19</sub>** = the city's VLFAA in FY2018-19

**V<sub>17-18</sub>** = the city's VLFAA in FY2018-19

**AV<sub>17-18</sub>** = city's AV in prior year FY2017-18

**AV<sub>18-19</sub>** = city's AV in current year FY2018-19

**N<sub>10</sub>** = the city's AB1602 annexation allocation in July 2010 per Rev&TaxSec 11005(d).

**1.17** = the estimated amount of growth in California CPI-U from 2010 to 2018.

**VLFAA Formula Will Henceforth Include Growth from Annexations.** City VLFAA from FY2019-20 on will grow annually with AV to include AV in annexed areas at the time of annexation. AB2268(Reyes) removes the language excluding annexations.

$$V_c = V_p + (V_p \times \%change\ from\ AV_p\ to\ AV_c)$$

... where:

**V<sub>c</sub>** = the city's VLFAA in years after first year

**V<sub>p</sub>** = city's VLFAA in prior year

**AV<sub>p</sub>** = city's AV in prior year

**AV<sub>c</sub>** = city's AV in current year

mjgc

## 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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Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

May 21, 2018

Senator Mike McGuire  
California State Senate  
State Capital Room 5061  
Sacramento, CA 95814

***Subject: Support of Senate Bill 929 (as amended March 6, 2018)***

Dear Senator McGuire:

The Contra Costa Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **SB 929**, which would require all independent special districts have a website by January 1, 2020, thereby increasing transparency.

LAFCOs work closely with special districts in their role of overseeing the provision of municipal services. For the estimated 50% of independent special districts that have websites today, communication and coordination with the local LAFCO is far more efficient than with those districts that do not have websites. In those instances, the LAFCO is left to “creative resourcefulness” to obtain important contact and agency information, often times requiring the LAFCO to expend a great deal of effort and resources. This information is especially critical for LAFCO when fulfilling their statutory obligations related to conducting Municipal Service Reviews on these districts.

There are a number of small independent special districts in Contra Costa County that do not have websites. On occasion, LAFCO receives calls from the public inquiring about these districts. Providing information in an easy, accessible and transparent way to all members of the public – especially those being served by the district – is critical and is simply good governance.

For these reasons Contra Costa LAFCO supports **SB 929**.

Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

  
Michael R. McGill, Chair  
Contra Costa LAFCO

- c: Chair and Members, Assembly Local Government Committee  
Jimmy MacDonald, Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Pamela Miller, Executive Director, CALAFCO  
Dillon Gibbons, CA Special Districts Association

# Senate Bill 929

## Special Districts Internet Transparency Act

### Senator McGuire

#### SUMMARY

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California has over 2,000 independent special districts that operate a range of local services, such as utilities, fire protection, parks, and transit. However, currently, less than half of all special districts have websites. While special districts provide a number of essential services to residents across California, recipients of these services may be unaware of what they do or even how to contact them.

SB 929 will require every independent special district to create and maintain a website with specific information—such as contact information, the timely posting of meeting agendas, and a copy or link to financial transaction and compensation reports – by January 1, 2020.

#### BACKGROUND

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Special districts are local government agencies that provide essential services to millions of Californians. Typically, special districts are organized when local residents or landowners notice a need in the community.

Special districts come in two forms: dependent and independent. Dependent special districts are governed by existing legislative bodies, such as a city council or board of supervisors. Independent special districts are governed by a board of directors, either elected by voters or appointed by a local jurisdiction.

Today, California statute authorizes thirty-six types of principle special districts, and approximately 140 special acts that enable unique circumstances. These enabling acts cover a wide variety of services such as airports, community services, fire protection, harbor and ports, irrigation, recreations and parks, resource conservation, sanitation, transit, utility, and water districts.

#### Problem

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Existing law requires special districts with websites to post certain information, such as meeting agendas and compensation reports. However, there is no requirement that special districts must create and maintain a website, leaving many Californians without easily accessible information for these essential services.

According to the California Special Districts Association, of the some 2,000 independent special districts in California, about half of them do not have a website.

In 2017, the Little Hoover Commission released a report on the state of special districts. In the report, the Commission cites a need for greater transparency and public involvement in special districts, such as a need for the public to be able to access what services are provided by the district, their contact information, and how they use their funding.

#### SOLUTION

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To further public transparency for special districts, SB 929 will require every independent special district to create and maintain a website with specific information by January 1, 2020.

Independent special districts who are unable to maintain a website because of a hardship, such as inadequate staff, financial resources, or access to broadband, may be exempted on an annual basis by a resolution adopted by the governing board with detailed findings.

#### CONTACT

---

Kimberly Kollwitz, Legislative Aide  
 Phone: 916-651-4002  
[Kimberly.Kollwitz@sen.ca.gov](mailto:Kimberly.Kollwitz@sen.ca.gov)

**SUPPORT**

---

California Special Districts Association



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>
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Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

June 13, 2018  
 Agenda Item 11

June 13, 2018

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

**CALAFCO Annual Conference - Call for Board Members & Achievement Award Nominations**

Dear Commissioners:

The annual CALAFCO conference will be held October 3-5, 2018 at the Tenaya Lodge in Yosemite; conference and registration materials are attached (Attachments 1 and 2). Conference updates will be posted on the CALAFCO website at [www.calafco.org](http://www.calafco.org).

Each year, prior to the annual conference, CALAFCO calls for Achievement Award and Board of Director nominations. Nominations are now open for the 2018 CALAFCO Achievement Awards. The awards recognize outstanding achievements by individuals and organizations committed to LAFCO goals and principles. The deadline for award nominations is **August 3, 2018** (Attachment 3). Nominations are also open for seats on the CALAFCO Board of Directors. There are eight seats up for election this fall, two from each of the four regions. The Coastal Region seats include a County Member and a District Member. Commissioner McGill currently serves on the CALAFCO Board representing the Coastal Region and seeks re-election. Candidates must be nominated by the Commission on which they serve. The deadline for Board nominations is **September 4, 2018** (Attachment 4). The election of CALAFCO Board members and Achievement Award ceremony will take place at the annual CALAFCO conference on October 4, 2018.

The CALAFCO bylaws require that each LAFCO designate a voting delegate to vote on behalf of their Commission. The voting delegate may be a commissioner, alternate commissioner or executive officer. Voting delegates must be designated by **September 4, 2018**.

**Recommendations:** Advise as to any Board and/or Achievement Award nominations, appoint a voting delegate and alternate, and direct staff to forward the information to CALAFCO.

Sincerely,

LOU ANN TEXEIRA  
 EXECUTIVE OFFICER

- Attachment 1 – CALAFCO Conference Announcement
- Attachment 2 – CALAFCO Registration Form
- Attachment 3 - CALAFCO Achievement Awards Nomination Packet
- Attachment 4 - CALAFCO Board Nomination Packet



# Announcing The 2018 CALAFCO Annual Conference

Hosted by CALAFCO

**October 3 – 5, 2018**

Tenaya Lodge, Yosemite  
Fish Camp, CA



## Value-Added and Diverse General & Breakout Session Topics

- 🌲 The natural disaster phenomenon: How they are changing the way LAFCOs plan and respond\*
- 🌲 LAFCOs' role in developing agency relationships, accountability and transparency
- 🌲 Urban growth boundaries: A white paper discussion
- 🌲 Using MSRs for more than a bookshelf placeholder: The increasing value of this critical LAFCo tool\*
- 🌲 LAFCO 101: Understanding and applying the basics
- 🌲 Resource Conservation Districts: Who are they really?
- 🌲 Ag land preservation: A white paper discussion
- 🌲 LAFCO in a "perfect world": Your dream LAFCo
- 🌲 Using strategic planning as a commission planning tool
- 🌲 The hot topic of fire districts
- 🌲 LAFCOs & affordable housing: What's the connection?
- 🌲 Leading in challenging times\*
- 🌲 Annual CALAFCO Legislative Update\*
- 🌲 CALAFCO Annual Business Meeting (for all CALAFCO members)\*

**Note:** The Program is subject to change, not all sessions finalized, not all topics listed will be presented. \*Indicates General Session

## Special Highlights

**Mobile Workshop**  
Still under construction.



We are working on a tour of the beautiful Yosemite area with a focus on the severe tree mortality issue, and the statewide effects – both short and long term.

Details will be announced shortly – but register now to secure your seat!

**Wednesday from  
7:30 a.m. to 12:30 p.m.**  
(times approx..)

**LAFCo 101**  
An introduction to LAFCO and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCO

**Wednesday from  
10: 00 a.m. to Noon**

**Thursday Luncheon  
Keynote**

**To Be Announced**

## Invaluable Networking Opportunities

- 🌲 Regional Roundtable discussions on current regional LAFCo issues
- 🌲 Extended roundtable discussion for LAFCo legal counsel
- 🌲 Pre-dinner Reception with Sponsors Thursday
- 🌲 Networking breakfasts and breaks
- 🌲 Welcome Reception Wednesday
- 🌲 Awards Banquet Thursday

## Tenaya Lodge, Yosemite



Make your reservations now at the [Tenaya Lodge](#) at the special CALAFCO rate of \$175 (excludes tax and fees). Special rates available 3 days pre and post-conference on availability, includes in-room wifi and parking. **Reservation cutoff date is 9/01/18.**

TO MAKE HOTEL RESERVATIONS, PLEASE VISIT: [Tenaya Online Registration](#) or call 800-635-5807 (option 1) and use promo code 3163VO or reference CALAFCO Conference.

Visit [www.calafco.org](http://www.calafco.org) for Conference details or call us at 916-442-6536.

**Mark your calendar and  
plan to attend!**

**Registration is now open!  
Visit [www.calafco.org](http://www.calafco.org)**



# 2018 ANNUAL CONFERENCE OCTOBER 3-5 IN YOSEMITE REGISTRATION FORM

**For Registration by Check**

To pay with credit cards please visit [www.calafco.org](http://www.calafco.org)  
**REGISTRATION DEADLINE IS SEPTEMBER 14, 2018**

LAFCo	_____
Received	_____
Check #	_____

Please submit one form for each person registering

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_

NAME ON NAMETAG \_\_\_\_\_

LAFCO/ORGANIZATION \_\_\_\_\_ POSITION \_\_\_\_\_

GUEST NAME (For guest/spouse registration) \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE # \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

EMERGENCY CONTACT NAME: \_\_\_\_\_

PHONE # \_\_\_\_\_

## CONFERENCE REGISTRATION RATES

	PAYMENT Received by August 10 <sup>th</sup>	PAYMENT Received after August 10 <sup>th</sup>	Amount Due
Member – Full Conference	\$520	\$560	
Non-member – Full Conference	\$620	\$660	
Guest/Spouse* – All Meals	\$270	\$300	
Guest/Spouse* – Wed Reception/ Thu Banquet Only	\$155	\$200	
Member – One Day ( <input type="checkbox"/> Wed or <input type="checkbox"/> Thur or <input type="checkbox"/> Fri)	\$350	\$370	
Non-Member – One Day ( <input type="checkbox"/> Wed or <input type="checkbox"/> Thur or <input type="checkbox"/> Fri)	\$450	\$470	
Mobile Workshop – Wednesday	\$50	\$50	
Attorney MCLE Credit (LAFCo counsel only)	\$50	\$50	
LAFCo 101 (no charge for those with full conf. registration. \$40 for those just attending this session.)	\$40	\$40	
<b>TOTAL REGISTRATION RATE DUE</b>			<b>\$</b>

**Payment must accompany registration. Early registration rate payments MUST be received by **August 10, 2018** in order for that rate to apply. NO EXCEPTIONS.** Please make checks payable to "CALAFCO."

Mail completed forms and payment to:

**CALAFCO**  
1215 K Street, Suite 1650  
Sacramento, CA 95814

**Hotel Information:**  
**Tenaya Lodge**, Yosemite, Fish Camp

**ROOMS STARTING AT \$175 PER NIGHT. CUT-OFF DATE IS SEPTEMBER 1, 2018** Special rate 3 days pre and post conference based on availability.

**TO MAKE HOTEL RESERVATIONS, PLEASE VISIT:** [Tenaya Online Registration](#) or call 800-635-5807 (option 1) and use promo code 3163VO or reference CALAFCO Conference

### CANCELLATION AND REFUND POLICY

1. Registrations are considered complete upon receipt of fees.
2. Cancellation requests made in writing and received by September 19, 2018 receive a 100% refund less \$20 handling fee and any transaction fees.
3. Credits are not issued for any cancellations.
4. Registration fees are transferable to another person not already registered provided the request is received in writing. Deadline to transfer registrations is September 19, 2018.
5. Registration fees for guests and special events are not transferable and are fully refundable (minus any transaction fees) if requests are made in writing and received by September 19, 2018 or if the special event is cancelled.
6. Cancellation requests must be made by e-mail, fax or mail to the CALAFCO office.
7. Cancellation requests made after September 19, 2018 are not eligible for a refund.



**Date:** 25 May, 2018

**To:** LAFCo Commissioners and Staff  
CALAFCO Members  
Other Interested Organizations

**From:** CALAFCO Achievement Awards Committee

**Subject:** **2018 CALAFCO Achievement Award Nominations**

**CALAFCO  
2018  
AWARDS**



Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition. *Please carefully review the nomination instructions and note the form has changed with the addition of a new section.*

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations you can submit.
2. Please use a separate form (attached) for each nomination. Nominations must be submitted with a completed nomination form. The form is your opportunity to highlight the most important points of your nomination.
3. Nominations must be limited to no more than 1500 words or 3 pages in length maximum. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. Limit supporting documentation to no more than 5 pages. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
5. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
6. **Nominations and supporting materials must be received no later than 5:00 p.m., Friday, August 3, 2018.** Send nominations via e-mail, or U.S. mail to:

Stephen Lucas, CALAFCO Executive Officer  
c/o Butte LAFCo  
1453 Downer Street, Suite C  
Oroville, CA 95965  
slucas@calafco.org

Members of the 2018 CALAFCO Board of Directors Awards Committee are:

*Mike Kelley*, Committee Chair (Imperial LAFCo, Southern Region)  
*Cheryl Brothers* (Orange LAFCo, Southern Region)  
*Debra Lake* (Humboldt LAFCo, Northern Region)  
*Margie Mohler* (Napa LAFCo, Coastal Region)  
*Anita Paque* (Calaveras LAFCo, Central Region)

mkelley@calafco.org  
cbrothers@calafco.org  
dlake@calafco.org  
mmohler@calafco.org  
apaque@calafco.org

Please contact Steve Lucas, CALAFCO Executive Officer, at slucas@calafco.org or (530) 538-7784 with any questions. A list of the previous Achievement Award recipients is attached to this announcement.



## **Nomination Form**

**NOMINEE - Person or Agency Being Nominated:**

Name:

Organization:

Address:

Phone:

E-mail:

**NOMINATION CATEGORY** (check one – see category criteria on attached sheet)

- Outstanding CALAFCO Member
- Most Effective Commission
- Outstanding Commissioner
- Outstanding LAFCo Professional
- Outstanding LAFCo Clerk
- Outstanding CALAFCO Associate Member
- Project of the Year
- Distinguished Service Award
- Government Leadership Award
- Legislator of the Year (must be approved by the full CALAFCO Board)
- Mike Gotch Courage and Innovation in Local Government Award
- Lifetime Achievement Award

**NOMINATION SUBMITTED BY:**

Name:

Organization:

Address:

Phone:

E-mail:



## **2018 Achievement Award Nominations**

### **NOMINATION SUMMARY**

In no more than 250 words, summarize why this recipient is the most deserving of this award.

### **ACHIEVEMENTS**

Please indicate the reasons why this person or agency deserves to be recognized (Remember to keep this portion to 1500 words or 3 pages maximum and use additional sheets as needed):



## 2018 Achievement Award Nominations

### CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until *Friday, August 3, 2018* in the following categories:

<b>Outstanding CALAFCO Member</b>	Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.
<b>Distinguished Service Award</b>	Given to a member of the LAFCo community to recognize long-term service by an individual.
<b>Most Effective Commission</b>	Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.
<b>Outstanding Commissioner</b>	Presented to an individual Commissioner for extraordinary service to his or her Commission.
<b>Outstanding LAFCo Professional</b>	Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.
<b>Outstanding LAFCo Clerk</b>	Recognizes a LAFCo Clerk for exemplary service during the past year.
<b>Outstanding CALAFCO Associate Member</b>	Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos, and has helped elevate the roles and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement.
<b>Project of the Year</b>	Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.
<b>Government Leadership Award</b>	Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.
<b>Legislator of the Year</b>	Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.
<b>Mike Gotch Courage and Innovation in Local Government Award</b>	Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.
<b>Lifetime Achievement Award</b>	Recognizes any individual who has made extraordinary contributions to the LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and/or demonstrated support in innovative and creative ways of the goals of LAFCos throughout California. At a minimum, the individual should be involved in the LAFCo community for at least ten years.



**CALAFCO ACHIEVEMENT AWARD RECIPIENTS**

**2017**

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Most Effective Commission	Los Angeles LAFCo
Outstanding CALAFCO Member	Sblend Sblendorio, Alameda LAFCo
Outstanding Commissioner	John Marchand, Alameda LAFCo
Outstanding LAFCo Professional	Paul Novak, Los Angeles LAFCo
Outstanding LAFCo Clerk	Richelle Beltran, Ventura LAFCo
Outstanding CALAFCO Associate Member	Policy Consulting Associates
Project of the Year	County Services MSR, Butte LAFCo Santa Rosa Annexation, Sonoma LAFCo
Government Leadership Award	San Luis Obispo County Public Works Dept.
Lifetime Achievement Award	Kathy Rollings McDonald (San Bernardino)

**2016**

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Distinguished Service Award	Peter Brundage, Sacramento LAFCo
Most Effective Commission	San Luis Obispo LAFCo
Outstanding CALAFCO Member	John Leopold, Santa Cruz LAFCo
Outstanding Commissioner	Don Tatzin, Contra Costa LAFCo
Outstanding LAFCo Professional	Steve Lucas, Butte LAFCo
Outstanding LAFCo Clerk	Cheryl Carter-Benjamin, Orange LAFCo
Project of the Year	Countywide Water Study, (Marin LAFCo)
Government Leadership Award	Southern Region of CALAFCO
Lifetime Achievement Award	Bob Braitman (retired Executive Officer)

**2015**

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Mike Gotch Courage & Innovation in Local Government Leadership Award	Yuba County Water Agency
Distinguished Service Award	Mary Jane Griego, Yuba LAFCo
Most Effective Commission	Butte LAFCo
Outstanding CALAFCO Member	Marjorie Blom, formerly of Stanislaus LAFCo
Outstanding Commissioner	Matthew Beekman, formerly of Stanislaus LAFCo
Outstanding LAFCo Professional	Sam Martinez, San Bernardino LAFCo
Outstanding LAFCo Clerk	Terri Tuck, Yolo LAFCo
Project of the Year	Formation of the Ventura County Waterworks District No. 38 (Ventura LAFCo) and 2015 San Diego County Health Care Services five-year sphere of influence and service review report (San Diego LAFCo)
Government Leadership Award	The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency
CALAFCO Associate Member of the Year	Michael Colantuono of Colantuono, Highsmith & Whatley
Legislators of the Year Award	Assembly member Chad Mayes
Lifetime Achievement Award	Jim Chapman (Lassen LAFCo) and Chris Tooker (formerly of Sacramento LAFCo)

### 2014

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award  
Distinguished Service Award  
Most Effective Commission  
Outstanding CALAFCO Member  
Outstanding Commissioner  
Outstanding LAFCo Professional  
Outstanding LAFCo Clerk  
Project of the Year

Government Leadership Award

Legislators of the Year Award  
Lifetime Achievement Award

**David Church**, San Luis Obispo LAFCo

**Kate McKenna**, Monterey LAFCo

**Santa Clara LAFCo**

**Stephen Lucas**, Butte LAFCo

**Paul Norsell**, Nevada LAFCo

**Kate McKenna**, Monterey LAFCo

**Paige Hensley**, Yuba LAFCo

**LAFCo Procedures Guide: 50<sup>th</sup> Year Special Edition**,  
San Diego LAFCo

**Orange County Water District, City of Anaheim, Irvine  
Ranch Water District, and Yorba Linda Water District  
Assembly member Katcho Achadjian**

**Susan Wilson**, Orange LAFCo

### 2013

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award  
Distinguished Service Award  
Most Effective Commission  
Outstanding CALAFCO Member  
Outstanding Commissioner  
Outstanding LAFCo Professional  
LAFCo Outstanding LAFCo Clerk  
Project of the Year  
Government Leadership Award

Legislators of the Year Award  
Lifetime Achievement Award

**Simón Salinas**, Commissioner, Monterey LAFCo

**Roseanne Chamberlain**, Amador LAFCo

**Stanislaus LAFCo**

**Harry Ehrlich**, San Diego LAFCo

**Jerry Gladbach**, Los Angeles LAFCo

**Lou Ann Texeira**, Contra Costa

**Kate Sibley**, Contra Costa LAFCo

**Plan for Agricultural Preservation**, Stanislaus LAFCo

**Orange County LAFCo Community Islands Taskforce**,  
Orange LAFCo

**Senators Bill Emmerson and Richard Roth**

**H. Peter Faye**, Yolo LAFCo; **Henry Pellissier**, Los Angeles  
LAFCo; **Carl Leverenz**, Butte LAFCo; **Susan Vicklund-Wilson**,  
Santa Clara LAFCo.

### 2012

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award  
Distinguished Service Award  
Most Effective Commission  
Outstanding CALAFCO Member  
Outstanding Commissioner  
LAFCo Outstanding LAFCo Professional  
Outstanding LAFCo Clerk  
Project of the Year

Government Leadership Award  
Lifetime Achievement Award

**Bill Chiat**, CALAFCO Executive Director

**Marty McClelland**, Commissioner, Humboldt LAFCo  
**Sonoma LAFCo**

**Stephen A. Souza**, Commissioner, Yolo LAFCo and  
CALAFCO Board of Directors

**Sherwood Darington**, Monterey

**Carole Cooper**, Sonoma LAFCo

**Gwenna MacDonald**, Lassen LAFCo

**Countywide Service Review & SOI Update**, Santa Clara  
LAFCo

**North Orange County Coalition of Cities**, Orange LAFCo

**P. Scott Browne**, Legal Counsel LAFCos



## 2018 Achievement Award Nominations

### 2011

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award  
Distinguished Service Award  
LAFCo Most Effective Commission  
Outstanding CALAFCO Member  
Outstanding Commissioner  
Outstanding LAFCo Professional  
Outstanding LAFCo Clerk  
Project of the Year

Government Leadership Award

**Martin Tuttle**, Deputy Director for Planning, Caltrans  
**Mike McKeever**, Executive Director, SACOG

**Carl Leverenz**, Commissioner and Chair, Butte

**San Bernardino LAFCo**

**Keene Simonds**, Executive Officer, Napa LAFCo

**Louis R. Calcagno**, Monterey LAFCo

**June Savala**, Deputy Executive Officer, Los Angeles LAFCo

**Debbie Shubert**, Ventura LAFCo

**Cortese-Knox-Hertzberg Definitions Revision**

Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper,  
and George Spiliotis

**Contra Costa Sanitary District**

**Elsinore Water District and Elsinore Valley Municipal Water  
District**

### 2010

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award  
Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Special Achievement

**Helen Thompson**, Commissioner, Yolo LAFCo

**Kathleen Rollings-McDonald**, Executive Officer, San  
Bernardino LAFCo

**Bob Braitman**, Executive Officer, Santa Barbara LAFCo

**Tulare LAFCo**

**Roger Anderson, Ph.D.**, CALAFCO Chair, Santa Cruz LAFCo

**George Lange**, Ventura LAFCo

**Harry Ehrlich**, Government Consultant, San Diego LAFCo

**Candie Fleming**, Fresno LAFCo

**Butte LAFCo**

Sewer Commission - Oroville Region Municipal Service  
Review

**Nipomo Community Services District and the County of San  
Luis Obispo**

**Chris Tooker**, Sacramento LAFCo and CALAFCO Board of  
Directors

### 2009

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Mike Gotch Courage & Innovation in  
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCo Professional

Outstanding LAFCo Clerk

Project of the Year

Government Leadership Award

Legislator of the Year Award

**Paul Hood**, Executive Officer, San Luis Obispo LAFCo

**William Zumwalt**, Executive Officer, Kings LAFCo

**Napa LAFCo**

**Susan Vicklund Wilson**, CALAFCO Vice Chair

**Jerry Gladbach**, CALAFCO Treasurer

**Larry M. Fortune**, Fresno LAFCo

**Pat McCormick**, Santa Cruz LAFCo Executive Officer

**Emmanuel Abello**, Santa Clara LAFCo

**Orange LAFCo** Boundary Report

**Cities of Amador City, Jackson, Ione, Plymouth & Sutter  
Creek; Amador County; Amador Water Agency; Pine  
Grove CSD** – Countywide MSR Project

**Assembly Member Jim Silva**



## 2018 Achievement Award Nominations

### 2008

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Distinguished Service Award	<b>Peter M. Detwiler</b> , Senate Local Government Committee Chief Consultant
Most Effective Commission	<b>Yuba LAFCo</b>
Outstanding Commissioner	<b>Dennis Hansberger</b> , San Bernardino LAFCo
Outstanding LAFCo Professional	<b>Michael Ott</b> , San Diego LAFCo Executive Officer <b>Martha Poyatos</b> , San Mateo Executive Officer
Outstanding LAFCo Clerk	<b>Wilda Turner</b> , Los Angeles LAFCo
Project of the Year	<b>Kings LAFCo</b> City and Community District MSR and SOI Update
Government Leadership Award	<b>San Bernardino Board of Supervisors</b>
Legislator of the Year Award	<b>Assembly Member Anna M. Caballero</b>

### 2007

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Outstanding CALAFCO Member	<b>Kathy Long</b> , Board Chair, Ventura LAFCo
Distinguished Service Award	<b>William D. Smith</b> , San Diego Legal
Counsel Most Effective Commission	<b>Santa Clara LAFCo</b>
Outstanding Commissioner	<b>Gayle Uilkema</b> , Contra Costa LAFCo
Outstanding LAFCo Professional	<b>Joyce Crosthwaite</b> , Orange LAFCo Executive Officer
Outstanding LAFCo Clerk	<b>Debby Chamberlin</b> , San Bernardino LAFCo
Project of the Year	<b>San Bernardino LAFCo and City of Fontana</b> Islands Annexation Program
Government Leadership Award	<b>City of Fontana - Islands Annexation Program</b>
Lifetime Achievement	<b>John T. "Jack" Knox</b>

### 2006

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Outstanding CALAFCO Member	<b>Everett Millais</b> , CALAFCO Executive Officer and Executive Officer of Ventura LAFCo
Distinguished Service Award	<b>Clark Alsop</b> , CALAFCO Legal Counsel
Most Effective Commission Award	<b>Alameda LAFCo</b>
Outstanding Commissioner Award	<b>Ted Grandsen</b> , Ventura LAFCo <b>Chris Tooker</b> , Sacramento LAFCo
Outstanding LAFCo Professional Award	<b>Larry Calemine</b> , Los Angeles LAFCo Executive Officer
Outstanding LAFCo Clerk Award	<b>Janice Bryson</b> , San Diego LAFCo <b>Marilyn Flemmer</b> , Sacramento LAFCo
Project of the Year Award	<b>Sacramento Municipal Utility District</b> Sphere of Influence Amendment and Annexation; <b>Sacramento LAFCo</b>
Outstanding Government Leadership Award	<b>Cities of Porterville, Tulare, and Visalia and Tulare LAFCo</b> Island Annexation Program
Legislator of the Year Award	<b>Senator Christine Kehoe</b>



## 2018 Achievement Award Nominations

### 2005

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Outstanding CALAFCO Member	<b>Peter Herzog</b> , CALAFCO Board, Orange LAFCo
Distinguished Service Award	<b>Elizabeth Castro Kemper</b> , Yolo LAFCo
Most Effective Commission Award	<b>Ventura LAFCo</b>
Outstanding Commissioner Award	<b>Art Aseltine</b> , Yuba LAFCo
	<b>Henri Pellissier</b> , Los Angeles LAFCo
Outstanding LAFCo Professional Award	<b>Bruce Baracco</b> , San Joaquin LAFCo
Outstanding LAFCo Clerk Award	<b>Danielle Ball</b> , Orange LAFCo
Project of the Year Award	<b>San Diego LAFCo</b> MSR of Fire Protection and Emergency Medical Services
Outstanding Government Leadership Award	<b>Sacramento Area Council of Governments (SACOG)</b>

### 2004

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Outstanding CALAFCO Member	<b>Scott Harvey</b> , CALAFCO Executive Director
Distinguished Service Award	<b>Julie Howard</b> , Shasta LAFCo
Most Effective Commission Award	<b>San Diego LAFCo</b>
Outstanding Commissioner Award	<b>Edith Johnsen</b> , Monterey LAFCo
Outstanding LAFCo Professional Award	<b>David Kindig</b> , Santa Cruz LAFCo
Project of the Year Award	<b>San Luis Obispo LAFCo</b> Nipomo CSD SOI Update, MSR, and EIR

### 2003

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Outstanding CALAFCO Member	<b>Michael P. Ryan</b> , CALAFCO Board Member
Distinguished Service Award	<b>Henri F. Pellissier</b> , Los Angeles LAFCo
Most Effective Commission Award	<b>San Luis Obispo LAFCo</b>
Outstanding Commissioner Award	<b>Bob Salazar</b> , El Dorado LAFCo
Outstanding LAFCo Professional Award	<b>Shirley Anderson</b> , San Diego LAFCo
Outstanding LAFCo Clerk Award	<b>Lori Fleck</b> , Siskiyou LAFCo
Project of the Year Award	<b>Napa LAFCo</b> Comprehensive Water Service Study
Special Achievement Award	<b>James M. Roddy</b>

### 2002

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Outstanding CALAFCO Member	<b>Ken Lee</b> , CALAFCo Legislative Committee Chair
Most Effective Commission Award	<b>San Diego LAFCo</b> Outstanding
Commissioner Award	<b>Ed Snively</b> , Imperial LAFCo
Outstanding LAFCo Professional Award	<b>Paul Hood</b> , San Luis Obispo LAFCo
Outstanding LAFCo Clerk Award	<b>Danielle Ball</b> , Orange LAFCo
Project of the Year Award	<b>San Luis Obispo LAFCo</b>
Outstanding Government Leadership Award	<b>Napa LAFCo</b> , <b>Napa County Farm Bureau</b> , <b>Napa Valley Vintners Association</b> , <b>Napa Valley Housing Authority</b> , <b>Napa County Agricultural Commissioner's Office</b> , <b>Napa County Counsel Office</b> , and <b>Assembly Member Patricia Wiggins</b>



## 2018 Achievement Award Nominations

### 2001

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Outstanding CALAFCO Member	<b>SR Jones</b> , CALAFCO Executive Officer
Distinguished Service Award	<b>David Martin</b> , Tax Area Services Section, State Board of Equalization
Outstanding Commissioner Award	<b>H. Peter Faye</b> , Yolo LAFCo
Outstanding LAFCo Professional Award	<b>Ingrid Hansen</b> , San Diego LAFCo
Project of the Year Award	<b>Santa Barbara LAFCo</b>
Outstanding Government Leadership Award	<b>Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council</b>
Legislator of the Year Award	<b>Senator Jack O'Connell</b>

### 2000

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Outstanding CALAFCO Member	<b>Ron Wootton</b> , CALAFCO Board Chair
Distinguished Service Award	<b>Ben Williams</b> , Commission on Local Governance for the 21st Century
Most Effective Commission Award	<b>Yolo LAFCo</b>
Outstanding Commissioner	<b>Rich Gordon</b> , San Mateo LAFCo
Outstanding LAFCo Professional Award	<b>Annamaria Perrella</b> , Contra Costa LAFCo
Outstanding LAFCo Clerk Award	<b>Susan Stahmann</b> , El Dorado LAFCo
Project of the Year Award	<b>San Diego LAFCo</b>
Legislator of the Year Award	<b>Robert Hertzberg</b> , Assembly Member

### 1999

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Distinguished Service Award	<b>Marilyn Ann Flemmer-Rodgers</b> , Sacramento LAFCo
Most Effective Commission Award	<b>Orange LAFCo</b>
Outstanding Executive Officer Award	<b>Don Graff</b> , Alameda LAFCo
Outstanding LAFCo Clerk Award	<b>Dory Adams</b> , Marin LAFCo
Most Creative Solution to a Multi-Jurisdictional Problem	<b>San Diego LAFCo</b>
Outstanding Government Leadership Award	<b>Assembly Member John Longville</b>
Legislator of the Year Award	<b>Assembly Member Robert Hertzberg</b>

### 1998

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Outstanding CALAFCO Member	<b>Dana Smith</b> , Orange LAFCo
Distinguished Service Award	<b>Marvin Panter</b> , Fresno LAFCo
Most Effective Commission Award	<b>San Diego LAFCo</b>
Outstanding Executive Officer Award	<b>George Spiliotis</b> , Riverside LAFCo
Outstanding Staff Analysis	<b>Joe Convery</b> , San Diego LAFCo <b>Joyce Crosthwaite</b> , Orange LAFCo
Outstanding Government Leadership Award	<b>Santa Clara County Planning Department</b>

### 1997

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Most Effective Commission Award	<b>Orange LAFCo</b>
Outstanding Executive Officer Award	<b>George Finney</b> , Tulare LAFCo
Outstanding Staff Analysis	<b>Annamaria Perrella</b> , Contra Costa LAFCo
Outstanding Government Leadership Award	<b>South County Issues Discussion Group</b>
Most Creative Solution to a Multi-Jurisdictional Problem	<b>Alameda LAFCo and Contra Costa LAFCo</b>
Legislator of the Year Award	<b>Assembly Member Tom Torlakson</b>

**Please join us for the  
CALAFCO Annual Conference  
October 3 – 5, 2018  
Yosemite, California**



May 25, 2018

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Bill Kirby, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: Nominations for 2018/2019 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

<u>Northern Region</u>	<u>Central Region</u>	<u>Coastal Region</u>	<u>Southern Region</u>
City Member	County Member	County Member	City Member
Public Member	District Member	District Member	Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 4, 2018 at the Tenaya Lodge in Yosemite, CA.

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 4, 2018*.**

Incumbents are eligible to run for another term. Nominations received by September 4 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 20 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Tuesday, September 4, 2018. Completed absentee ballots must be returned by September 28, 2018.

*Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.*

**The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 4, 2018.** Here is a summary of the deadlines for this year's nomination process:

- **May 25** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 4** – Completed Nomination packet due
- **September 4** – Request for an absentee/electronic ballot due
- **September 4** – Voting delegate name due to CALAFCO
- **September 20** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **September 20** – Distribution of requested absentee/electronic ballots.
- **September 28** – Absentee ballots due to CALAFCO
- **October 4** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to [info@calafco.org](mailto:info@calafco.org). Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director  
California Association of Local Agency Formation Commissions  
1215 K Street, Suite 1650  
Sacramento, California 95814  
FAX: 916-442-6535  
EMAIL: [info@calafco.org](mailto:info@calafco.org)

Questions about the election process can be sent to the Chair of the Committee, Bill Kirby, at [wkirby@calafco.org](mailto:wkirby@calafco.org) or by calling him at 530-889-4097. You may also contact CALAFCO Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling 916-442-6536.

Members of the 2018/2019 CALAFCO Election Committee are:

Bill Kirby, Chair <a href="mailto:wkirby@calafco.org">wkirby@calafco.org</a>	Placer LAFCo (Central Region) 530-889-4097
Debra Lake <a href="mailto:dlake@calafco.org">dlake@calafco.org</a>	Humboldt LAFCo (Northern Region) 707-445-7508
Jo MacKenzie <a href="mailto:jmackenzie@calafco.org">jmackenzie@calafco.org</a>	San Diego LAFCo (Southern Region) 530-295-2707
Margie Mohler <a href="mailto:mmohler@calafco.org">mmohler@calafco.org</a>	Napa LAFCo (Coastal Region) 707-259-8645

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

*Please consider joining us!*

Enclosures

## **Board of Directors Nomination and Election Procedures and Forms**

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

### **1. APPOINTMENT OF AN ELECTION COMMITTEE:**

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.<sup>8</sup>
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.<sup>8</sup>
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.<sup>8</sup>
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.<sup>8</sup>

### **2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:**

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:<sup>8</sup>
  - i. A statement clearly indicating which offices are subject to the election.
  - ii. A regional map including LAFCoS listed by region.
  - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."<sup>8</sup>
  - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - v. The address to send the nominations forms.
  - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:<sup>8</sup>

<b>Key Timeframes for Nominations Process</b>	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
  - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked “Received too late for Election Committee action.”<sup>8</sup>
  - iii. The names of the Election Committee members with the Committee Chair’s LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

### **3. THE ELECTION COMMITTEE:**

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.<sup>8</sup>
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.<sup>8</sup>
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide “CANDIDATE” ribbons to all candidates attending the Annual Conference.<sup>8</sup>
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.<sup>8</sup>
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.<sup>8</sup>

### **4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING<sup>6</sup>** Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.<sup>8</sup>

**5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:<sup>8</sup>
  - i. Review the election procedure with the membership.
  - ii. Present the Election Committee Report (previously distributed).
  - iii. Call for nominations from the floor by category for those seats subject to this election:
    - 1. For city member.
    - 2. For county member.
    - 3. For public member.
    - 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
  - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
    - 1. Name the nominees and offices for which they are nominated.
    - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
  - ii. For categories where there are more candidates than vacancies, the Presiding Officer

shall:

1. Poll the LAFCoS in good standing by written ballot.
  2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
  3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.<sup>8</sup>
  4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. The nominee receiving the majority<sup>6</sup> of votes cast is elected.
  2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).<sup>6</sup>
  3. In case of tie votes<sup>6</sup>:
    - a. A second run-off election shall be held with the same two nominees.
    - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
  4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.<sup>6</sup>
    - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
    - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
    - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

## **6. ADDITIONAL PROCEDURES**

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.<sup>8</sup>
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting

places and times for the coming year, and conducting any other necessary business.

## 7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

## 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007<sup>1</sup>, 8 February 2008<sup>2</sup>, 13 February 2009<sup>3</sup>, 12 February 2010<sup>4</sup>, 18 February 2011<sup>5</sup>, 29 April 2011<sup>6</sup>, 11 July 2014<sup>7</sup> and 27 October 2017<sup>8</sup>. They supersede all previous versions of the policies.*

# CALAFCO Regions

## FOUR REGIONS



The counties in each of the four regions consist of the following:

**Northern Region**

Butte  
Colusa  
Del Norte  
Glenn  
Humboldt  
Lake  
Lassen  
Mendocino  
Modoc  
Nevada  
Plumas  
Shasta  
Sierra  
Siskiyou  
Sutter  
Tehama  
Trinity  
Yuba

**CONTACT:** Steve Lucas  
Butte LAFCo  
slucas@buttecounty.net

**Southern Region**

Orange  
Los Angeles  
Imperial  
Riverside  
San Bernardino  
San Diego

**CONTACT:** Carolyn Emery  
Orange LAFCo  
cemery@oclafco.org

**Coastal Region**

Alameda  
Contra Costa  
Marin  
Monterey  
Napa  
San Benito  
San Francisco  
San Luis Obispo  
San Mateo  
Santa Barbara  
Santa Clara  
Santa Cruz  
Solano  
Sonoma  
Ventura

**CONTACT:** Martha Poyatos  
San Mateo LAFCo  
mpoyatos@smcgov.org

**Central Region**

Alpine  
Amador  
Calaveras  
El Dorado  
Fresno  
Inyo  
Kern  
Kings  
Madera  
Mariposa  
Merced  
Mono  
Placer  
Sacramento  
San Joaquin  
Stanislaus  
Tulare  
Tuolumne  
Yolo

**CONTACT:** Christine Crawford, Yolo LAFCo  
christine.crawford@yolocounty.org

**Board of Directors  
2018/2019 Nominations Form**

***Nomination to the CALAFCO Board of Directors***

In accordance with the Nominations and Election Procedures of CALAFCO,

\_\_\_\_\_ LAFCo of the \_\_\_\_\_ Region

Nominates \_\_\_\_\_

for the (check one)     City         County         Special District         Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

\_\_\_\_\_  
LAFCo Chair

\_\_\_\_\_  
Date

**NOTICE OF DEADLINE**

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:  
CALAFCO Election Committee  
CALAFCO  
1215 K Street, Suite 1650  
Sacramento, CA 95814

## Board of Directors 2018/2019 Candidate Resume Form

Nominated By: \_\_\_\_\_ LAFCo Date: \_\_\_\_\_

Region (please check one):  Northern  Coastal  Central  Southern

Category (please check one):  City  County  Special District  Public

Candidate Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Office \_\_\_\_\_ Mobile \_\_\_\_\_

e-mail \_\_\_\_\_

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

**NOTICE OF DEADLINE**

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:  
CALAFCO Election Committee  
CALAFCO  
1215 K Street, Suite 1650  
Sacramento, CA 95814

**CALAFCO Board Members 2017-18***(as of May 15, 2018)*

<b>Board Member Name</b>	<b>LAFCo - Region</b>	<b>Type (Term Expires)</b>
Cheryl Brothers	Orange - <i>Southern</i>	City (2018)
Bill Connelly	Butte - <i>Northern</i>	County (2019)
Shiva Frentzen	El Dorado - <i>Central</i>	County (2018)
Gay Jones – <b>Chair</b>	Sacramento - <i>Central</i>	District (2018)
Michael Kelley - <b>Treasurer</b>	Imperial - <i>Southern</i>	County (2019)
Dr. William Kirby	Placer - <i>Central</i>	City (2019)
Debra Lake	Humboldt - <i>Northern</i>	District (2019)
John Leopold	Santa Cruz - <i>Coastal</i>	County (2018)
Gerard McCallum	Los Angeles - <i>Southern</i>	Public (2018)
Michael McGill - <b>Secretary</b>	Contra Costa - <i>Coastal</i>	District (2018)
Jo MacKenzie	San Diego - <i>Southern</i>	District (2019)
Margie Mohler	Napa - <i>Coastal</i>	City (2019)
Anita Paque	Calaveras - <i>Central</i>	Public (2019)
Ricky Samayoa	Yuba - <i>Northern</i>	City (2018)
Josh Susman – <b>Vice Chair</b>	Nevada - <i>Northern</i>	Public (2018)
Susan Vicklund-Wilson	Santa Clara - <i>Coastal</i>	Public (2019)



June 13, 2018  
Agenda Item 12

**AGENDA**

**RETIREMENT BOARD MEETING**

SECOND MONTHLY MEETING  
May 23, 2018  
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. Review of total portfolio performance for period ending March 31, 2018.
  - a. Presentation from Verus.
  - b. Presentation from staff.
4. Review of Report on Liquidity Sub-portfolio.
5. Consider and take possible action to adopt Board of Retirement Resolution 2018-1 to increase the salary ranges by 3% for all unrepresented classifications effective July 1, 2018, with the exception of the Chief Executive Officer.
6. Consider and take possible action to adopt CCCERA Position Pay Schedules effective July 1, 2018 which reflects the salary range changes in Board of Retirement Resolution 2018-1.
7. Consider authorizing the attendance of Board:
  - a. SACRS/UC Berkeley Program, July 15-18, 2018, Berkeley, CA.
  - b. NASRA Annual Conference, August 4-8, 2018, San Diego, CA. (Note: Conflict with meeting)
  - c. CALAPRS Principles of Pension Management, August 27-30, 2018, Malibu, CA.
8. 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 – JUNE 13, 2018**

June 13, 2018  
Agenda Item 14a

<b>LAFCO APPLICATION</b>	<b>RECEIVED</b>	<b>STATUS</b>
LAFCO No. 10-09 - Town of Discovery Bay Community Services District (DBCSD) sphere of influence (SOI) Amendment (Newport Pointe): proposed SOI expansion of 20± acres bounded by Bixler Road, Newport Drive and Newport Cove	July 2010	Currently incomplete
LAFCO No. 10-10 - DBCSD Annexation (Newport Pointe): proposed annexation of 20± acres to supply water/sewer services to a 67-unit single family residential development	July 2010	Currently incomplete
LAFCO No. 13-04 - 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
LAFCO No. 14-05 - 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
LAFCO No. 16-07 -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
LAFCO No. 16-06 - 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
LAFCO No. 17-09 - West County Wastewater District (WCWD) Annexation 317 (Sunborne Nursery) – proposed annexation of 6.981± acres (APNs 408-203-006/-011) located at the intersection of Brookside Drive and Central Street in unincorporated North Richmond	Aug 2017	Currently incomplete
LAFCO No. 17-13 - Dissolution of Los Medanos Community Healthcare District	Nov 2017	Under review
LAFCO No. 18-01 - West County Wastewater District (WCWD) Annexation 318 (Hillside Dr & Castro Ranch Rd) – proposed annexation of 1.68± acres (APN 433-110-015) located at 5917 Hillside Drive	Jan 2018	Under review
LAFCO 18-05 – Chang Property SOI Amendments – proposed SOI expansions to CCCSD and EBMUD of 66.92± acres located northwest of the intersection of Bollinger Canyon Road and Crow Canyon Road in unincorporated San Ramon	March 2018	Under review
LAFCO 18-06 - Chang Property Reorganization – proposed annexations to City of San Ramon, CCCSD and EBMUD of 66.92± acres located northwest of the intersection of Bollinger Canyon Road and Crow Canyon Road in unincorporated San Ramon	March 2018	Under review
LAFCO 18-07 – City of Martinez Out of Agency Service – request to provide water service to 0.65± acre on Wanda Way in unincorporated Martinez	May 2018	Under review

# Group tries to raise \$4 million to preserve Carquinez-area open space

By [Nate Gartrell](#) | [ngartrell@bayareanewsgroup.com](mailto:ngartrell@bayareanewsgroup.com) | Bay Area News Group  
PUBLISHED: April 18, 2018 at 3:30 am | UPDATED: **April 20, 2018** at 7:03 pm

MARTINEZ — The stewards of ranches, trails and historic sites throughout the East Bay have announced an effort to raise \$4 million to save a large open space property in the Martinez hills from development.

The group, known as the [John Muir Land Trust](#), oversees 13 of Contra Costa's most beautiful and well-traversed hiking trails, including the Acalanes Ridge and the Fernandez Ranch. They're trying to raise \$4 million by the end of 2019, and have already secured a \$1 million pledge from the East Bay Regional Park District, the group announced in a news release.

The money raised will go toward protecting Almond Ranch, a lush, 281-acre section of the Martinez hills that runs alongside Franklin Canyon Road and sits next to Mount Wanda. The land is being used as a cattle ranch, and the Muir Land Trust wants to eventually open it for "hikers, dog walkers, cyclists, bird watchers, equestrians and nature lovers of all ages," according to the group's news release.

"All of the benefits of conservation literally intersect here," Linus Eukel, Muir Land Trust's executive director, said in a written statement. "The ranch protects habitat and clean water, offers close-to-home outdoor recreation and makes critical trail connections that have been on everyone's wish list for decades."

The group calls the property the "missing piece" because it is surrounded by open-space properties that are open to the public and would connect to sections of trails throughout Contra Costa County.

"People will be able to hike through Mount Wanda, through Almond Ranch, through Sky Ranch — they'll just be able to hike out for miles that way," said open space ranger Glen Lewis.

If the money is raised, the ranch will close a gap in the Bay Area Ridge Trail. It is one of two properties needed to close a 50-mile gap in the Carquinez Strait Scenic Loop Trail, which runs through Solano and Contra Costa counties.

"Land of this quality situated where it is will end up in one of two ways," Eukel said. "We will achieve conservation, but were we to not, it would be developed."

The \$1 million pledge from the East Bay Regional Park District will come from Measure WW funds. The group hopes to get another \$1 million toward the effort if Proposition 68 — a bond measure supporting local parks and natural resources — passes in the election this June. The John Muir Land Trust also holds regular fundraising events and [has one scheduled for April 28](#).

“Adding Almond Ranch to the places already acquired on Franklin Ridge by JMLT would be the perfect outcome,” said East Bay parks board member Colin Coffey in a written statement. “We’re excited to make the lead contribution.”

## East Bay Times

# Proposition 68: Will voters approve \$4.1 billion for parks and water projects?



Spring wildflowers at Carmel River State Beach on Wednesday, March 21, 2018. (Vern Fisher – Monterey Herald)

By [Paul Rogers](#) | [progers@bayareanewsgroup.com](mailto:progers@bayareanewsgroup.com) |

PUBLISHED: May 21, 2018 at 7:00 am | UPDATED: **May 21, 2018** at 3:32 pm

The last time California voters passed a statewide ballot measure to provide funding for parks, beaches, wildlife and forests, it was 2006. Arnold Schwarzenegger was in his first term as governor, Twitter was a fledgling app, and the iPhone hadn't been invented yet.

Since then, California's population has grown from 36 million to 39.5 million — the equivalent of adding a new San Francisco, San Jose and San Diego. So environmentalists say it's time for voters to pass Proposition 68, a \$4.1 billion bond measure to spruce up run-down parks, upgrade water projects and protect scenic open space from sprawl development.

A broad coalition that includes Gov. Jerry Brown, the California Chamber of Commerce, the American Heart Association and virtually every major environmental group in the state is backing the measure on the June 5 ballot. It needs a simple majority to pass.

“Think of some of the most amazing amenities the state has, like the Santa Monica Mountains, the Marin Headlands and Big Sur,” said Mike Sweeney, executive director of the Nature

Conservancy's California program. "Who in their right mind says it was a bad financial decision to preserve those places? You never hear that. Decades from now, people will be thanking us for having done something today rather than waiting."

Opponents, largely made up of taxpayer groups, say the state should instead fund parks from its general fund, and not through issuing debt. They also argue that too much of the money would go to urban parks in Southern California.

"We have a significant budget surplus," said Jon Coupal, president of the Howard Jarvis Taxpayers Association. "Rather than going into debt, if these parks are truly a priority — and they are — why not finance improvements on a pay-as-you-go basis?"

California's 280 state parks have a maintenance backlog estimated at \$1.2 billion, including crumbling roads, aging sewer systems and leaky roofs, and some of the measure's money will be used to reduce that backlog.

As of May 9, the Yes on 68 campaign had raised \$4.9 million and had \$3.7 million left to spend. Major donors included the Nature Conservancy (\$930,000), Save the Redwoods League (\$350,000) and the Peninsula Open Space Trust (\$300,000). Other large donors include Julie Packard, executive director of the Monterey Bay Aquarium (\$250,000), her sister, Nancy Burnett (\$200,000), and Anne Earhart of Laguna Beach, the granddaughter of oil magnate Jean Paul Getty (\$200,000).

"Every Californian should have access to a nearby safe park, a clean beach or a well-maintained campground," said Packard, who noted that the state did a good job protecting beaches, forests and parks in past generations, but now is "falling behind in taking care of these resources and also making sure they're available to all Californians."

There is no organized campaign against the measure.

The Yes campaign's internal polls show Proposition 68, written by state Sen. Kevin de León, D-Los Angeles, and placed on the ballot by a two-thirds vote of state lawmakers last year, is slightly above 50 percent support as voters begin to cast mail-in ballots.

If approved, the measure would provide funding in three main categories, with about two-thirds going to parks and wildlife, and one-third going for water and flood control projects:

- Parks and recreation: \$1.283 billion- \$725 million to neighborhood parks, particularly in low-income communities- \$285 million to cities, counties, and park districts to improve facilities- \$218 million for state parks restoration and upgrades- \$55 million for trails, bike paths and rural recreation
- Natural Resources: \$1.547 billion- \$767 million to state conservancies and wildlife conservation projects- \$443 million for climate change preparedness and resiliency- \$175 million for beaches, ocean and coastal protection- \$162 million for river and waterway projects

- Water: \$1.27 billion- \$250 million for drinking water treatment and quality- \$370 million to groundwater cleanup and recharge projects- \$550 million for flood protection- \$100 million for water recycling projects

Californians usually support funding for parks, water projects, schools and highways. Since 1993, voters have approved 31 of 39 state bond measures, a 79 percent success rate, according to a review by Ballotpedia, an online encyclopedia of American politics.

A separate water bond, for \$8.9 billion, recently qualified for the November ballot.

The last parks bond was Proposition 84, a \$5.4 billion measure for parks, water and flood control projects that was approved by 54 percent of state voters 12 years ago. Apart from new levees, drinking water treatment plants and other water projects, funding from that measure paid for a new campground for RVs and tents at Fort Ord Dunes State Park; new trails, restrooms and parking at McLaughlin Eastshore State Park, which extends from Richmond to Oakland; and the restoration of historic buildings at Angel Island in San Francisco Bay and in Old Town San Diego.

It also funded a new visitors center at Calaveras Big Trees State Park in the Sierra Foothills; new entrances, roads and restrooms at Pfeiffer Big Sur State Park, Donner Memorial State Park and Marshall Gold Discovery site; and acquisition of land around Lake Tahoe, the Los Angeles River and the Coachella Valley Mountains.

Bonds are like IOUs. The state sells them to investors, and then pays them back with interest, usually over 30 or 40 years. How much bond debt does the state have? The current 2017-18 state general fund budget is \$129.8 billion. Of that, 4.08 percent, or \$5.295 billion, goes to pay debt service, according to the state Department of Finance. It's a ratio below the 5 percent level that many budget analysts around the nation recommend as a ceiling. If Proposition 68 passes, it would add roughly another \$200 million a year in debt service, or about .15 percent, to that total.

Carl Guardino, president of the Silicon Valley Leadership Group, a business group that has endorsed Proposition 68, said water projects are badly needed, and parks raise property values and reduce other costs to taxpayers.

"Kids need a safe place to run and play," Guardino said. "I want that for my kids in wealthy Los Gatos. And I think kids in poor neighborhoods throughout the state deserve the same opportunities. Would we want our kids playing in a safe place rather than being tempted by gangs? There's community investment or societal costs."

## San Francisco Chronicle

# Affordable-housing building costs worry S.F.

*By J.K. Dineen*

*May 22, 2018*

A mix of escalating construction costs and changes to the federal tax code is hampering San Francisco's ability to finance and build affordable housing. And the situation may only get worse even as the housing crisis forces thousands of families to flee to less-expensive cities.

That was the message from city housing officials Monday at a special "cost summit" convened by Mayor Mark Farrell. The group — about 50 nonprofit developers, architects, labor leaders and contractors — was asked to spend the next two months coming up with solutions for tackling the city's spiraling housing construction costs.

Affordable projects in San Francisco now cost an average of \$750,000 per unit, 17 percent more than the average of \$627,000 just two years ago, said Kate Hartley, who heads the Mayor's Office of Housing and Community Development. Between 2014 and 2017, the typical affordable housing project had a funding gap — the amount not covered by bonds, state money or tax credits — of about \$235,000 per unit. That number is now \$342,000 per unit.

The jump in costs has sent both market-rate and affordable builders — along with city housing officials — scrambling to find other funding sources and redesign projects to save money.

"Every project that comes in is coming in at 10 or 15 or 20 percent more than originally budgeted for," Hartley said.

While construction costs have been ratcheting up annually since the recovery kicked in in 2012, the corporate tax changes passed by Congress last year are also hampering the financing of affordable housing, Hartley said. The reduction of the corporate tax rate from 35 to 21 percent means that there are fewer companies looking to buy Low-Income Housing Tax Credits — an \$8.3 billion program that is the biggest source of affordable-housing construction financing. A lower tax rate means fewer corporations are competing for the credits, which reduces the amount that affordable developers can sell them for.

Hartley said the weakening in the tax-credit market is costing San Francisco about \$50,000 a unit in equity — money the city has to make up — and has contributed to delays in the start of several affordable-housing projects, including Mission District projects like 1296 Shotwell and 490 South Van Ness.

"The pool of investors has shrunk considerably," she said.

Farrell said the group's objective is to "tackle the unprecedented construction costs that threaten the city's affordable-housing production."

He asked the summit attendees to join one of three working groups that will explore how housing development could be more cost-effective. One committee will look at labor costs and workforce

development; one will study how government-regulation reform could reduce the time and price of building; and a third will look at how design and materials could reduce the price of development.

Farrell directed the working groups to “find real, actionable solutions to the affordability problems that are causing gridlock in our housing production.”

“We cannot provide affordable homes for our families if we cannot afford to build these homes to begin with,” Farrell said. “Our teachers, janitors, nurses and other working-class residents cannot wait forever for the city to find ways to build homes quicker and cheaper.”

The cost of construction — together with San Francisco’s highest-in-the country affordable-housing requirements — is also stalling market-rate developments. That means less money for affordable projects because much of the local money San Francisco spends on below-market-rate units comes from fees paid by market-rate developers.

“This is a very challenging cost environment for construction in all sectors, and we understand that it feels particularly difficult when looking at affordable housing,” said Kathryn Cahill, CEO of Cahill Contractors.

Affordable developer Sam Moss of Mission Housing said the inability to bring costs under control could mean that the city might get a smaller percentage of the \$4 billion in affordable-housing bond money that will be on the state ballot in the fall.

In 2016, the California Debt Limit Allocation Committee, which administers the tax-exempt bond program, concluded that more affordable housing could be built in other parts of the state because San Francisco’s costs were so high.

“We need to figure out how we are going to fix this — the threat of the bond money not coming here is very real,” Moss said. “We should all be extremely worried because that would be a self-inflicted wound.”

Fernando Marti, co-director of the Council of Community Housing Organizations, said affordable buildings struggle to compete in a marketplace where most general contractors and subcontractors are busy building luxury high-rises and office towers. He attributed the rise in construction costs to the fact that more and more affordable buildings are mid-rise towers rather than five-story, wood-frame buildings.

“Up until four years ago, it was rare to see a city-funded affordable project be anything but wood-frame” he said. “It’s a new world.”

Rick Williams, a partner with Van Meter Williams Pollack Architecture, said he thinks a concerted effort can reduce costs by 10 percent, possibly more.

“Everybody is starting to see projects put on hold and are starting to realize that these costs can’t keep going up forever,” he said. “Nobody wants us to go into another recession because construction costs are so high and everyone stops building. We have to be very careful and work very hard to solve this.”

Marti said the fact that the mayor’s office is leading the cost-control initiative is promising.

“It’s not a new conversation, but it’s being elevated in a way I haven’t seen before,” he said.

## Water Deeply

# Little-Known Accounting Policy Could Fuel Green Infrastructure Surge

Most water agencies don't think of local water projects like green roofs or efficiency rebates as assets, but now they can. And that means agencies can now access capital markets for funding, which could help dramatically grow these projects.

Written by [Tara Lohan](#) Published on **May 23, 2018** Read time Approx. 4 minutes



A drought-tolerant green roof garden in Los Angeles. These types of projects could get a boost from a better understanding of an accounting practice that allows public agencies to finance such projects as assets.

In the years to come, we're likely to see a lot more "green" and distributed infrastructure projects from water utilities, like permeable pavement, rainwater capture and efficiency rebates. That's because coming up with the money needed to scale these projects just got a lot easier.

In the water world, most big infrastructure projects like treatment facilities and pipelines are usually financed by water agencies selling bonds, which can help them raise millions of dollars for a project that only needs to be paid off a little bit at a time over many years. That's because these projects are owned by the agencies and are considered an asset on which they can capitalize.

But turf removal programs, green roofs and other localized water projects that can have significant impact on water consumption – often referred to as "distributed infrastructure" – weren't typically considered an asset because they weren't actually owned by an agency. Instead rebates for these kinds of projects were funded from operating budgets, which often isn't enough to really scale such efforts.

But the [Government Accounting Standards Board](#) (GASB), which is an independent organization that establishes accounting and financial standards, approved a policy [implementation guide](#) on

May 7. This time one of the guidelines it addressed was Statement No. 62 (also referred to in shorthand as GASB 62).

GASB 62 has actually been around for years, but it wasn't well known. That prompted GASB this month to clarify the language around "business-type activities" of public agencies.

"There is a universe of things that public agencies spend money on. Some of it is straightforward: If you're buying chemicals every year, that's an annual expense, and if you're building a treatment facility, that's a capital asset," said Cynthia Koehler, executive director of the San Francisco-based nonprofit [WaterNow Alliance](#) and board member of the Marin Municipal Water District. "In between are things that GASB recognizes as 'business type activities' of public agencies."

GASB also refers to these as "regulated operations," and GASB 62 says that it's possible for these regulated operations to be considered assets that can be capitalized.

While this language may be new to many folks not in the accounting world, what it means in the real world is that many water agencies will now be able to use bonds to fund things they didn't typically consider an asset before. In particular, distributed infrastructure projects.

It's "potentially a massive game changer," said Koehler.

But for a water agency to be able to capitalize regulated operations, it needs to meet some criteria. It has to have a governing board able to set its own rates and it needs to be able to set rates that are likely to recover the cost of the regulated operation.

If a public agency can do that, "the money you spend can be considered an asset and once you have an asset you can bond-fund it," said [Ed Harrington](#), who served as the controller for the city and county of San Francisco and later as the general manager of the San Francisco Public Utilities Commission until he retired in 2012.

This is a big shift for most water utilities, which are used to thinking about fixed things like pipes and pumps as assets. But GASB's latest guideline is confirming that this practice of capitalizing regulated operations is definitely above board. "This guidance connects the dots from a statement that has existed for some time, specifically to water utilities and how they book expenses for distributed infrastructure," she said.

Now utilities can raise a lot more money for distributed infrastructure projects that they can then pay off slowly over many years, instead of trying to finance projects with cash on hand. That opens up the door to more money for initiatives like cash-for-grass rebates, leak detection devices, rainwater capture, graywater reuse, green roofs, constructed wetlands, permeable pavement, direct installation of high efficiency toilets or fixtures, and smart irrigation control rebates.

These distributed infrastructure projects have huge potential. A [2014 report](#) from the Pacific Institute, an Oakland-based global water think-tank, found that there's the potential to save 3.1 billion to 6.4 billion cubic meters (enough water for 5.8 million to 10.4 million families a year) through efficiencies in the urban water sector alone in California. "Our analysis focused on the savings that could be achieved through more widespread adoption of technology and practices

that are available and already in use in California and elsewhere around the world,” the Pacific Institute found.



An 865-gallon rain barrel next to a water filter and micron filters for harvested rainwater on a green home in Los Angeles. (Citizen of the Planet/Education Images/UIG via Getty Images)

And that will bring more than just financial benefits, said Rowan Schmidt, program director for finance and investment strategies at [Earth Economics](#), a nonprofit that helps organizations make investment and policy decisions by taking nature into account. “Green infrastructure will support core services, but you also get these co-benefits out of it like increased resilience compared with centralized infrastructure, as well as health benefits and property value improvements.”

If a community has issues with flooding, for example, Harrington said, instead of using pipes and pumps to tackle the problem, agencies can explore other distributed or green infrastructure options. “You can say I’m going to go much more into permeable pavement, green roofs, those kind of things that use nature, that bring the water back into the aquifer, that avoid flooding, that can be very efficient and cost effective and can be done much quicker,” said Harrington. “It’s not to say you’re never going to need pipes and pumps, but you could probably meet a good amount of the flooding problem if you just returned things back to the way they were before there was so much concrete.”

The next step now is getting the word out, said Schmidt. “I think there is a lot of education required. How do we get the mechanism to scale up across thousands of utilities and special districts across the country?”

The challenge, added Koehler, is for groups like WaterNow Alliance and Earth Economics to help explain what this opportunity is all about, and to socialize and normalize it. “Opportunity is the operative word,” she said. “There’s no mandate here. What to me is great about it is the flexibility. It’s there if you want to use it, it’s this opportunity, but nobody is forcing you to go this way.”

**East Bay Times**

# After threatening fire chief, Rodeo-Hercules Fire District chair is demoted

By [Aaron Davis](#) | [aarondavis@bayareanewsgroup.com](mailto:aarondavis@bayareanewsgroup.com) | Bay Area News Group  
May 24, 2018 at 5:19 pm

HERCULES — The Rodeo-Hercules Fire District recently voted to remove the chair from his position after alleged harassment and threats, including a threat to “crucify” the interim fire chief.

The Rodeo-Hercules Fire District board voted on May 9 to remove Ernest Wheeler as chair of the board after an internal investigation, among other things, found that Wheeler had threatened to “crucify” acting Fire Chief Bryan Craig over a disagreement on the use of district funds.

Directors Andrew Gabriel, Raemona Williams and Marc Thorpe voted in favor of removing Wheeler as chair, and director Bill Prather voted against.

“I’m in support of Ernie, but he crossed a line when he went after the fire chief and said he’d fire him, crucify him,” Vice Mayor Dan Romero said. “As a politician, you hire administrators to do everything and he thinks the fire chief hasn’t been honest to the board about everything.”

The main complaint against Wheeler surrounded an incident on Feb. 14, when Wheeler met with Craig to talk about over-expenditures on outfitting fire district vehicles. He has requested the district do a forensic financial audit.

According to an internal investigation report, Wheeler said the fire chief was “constantly doing things without Board approval,” and told Craig that he “better resign” at the meeting that night. As he left, Craig asked if that was a threat and Wheeler replied, “I will crucify you tonight.”

Wheeler didn’t deny that he said this, but characterized the complaint and an internal investigation as an attempt to discredit him.

“It’s a political move. I uncovered fraudulent financial records and called him on it,” Wheeler said.

In March, a letter from attorneys representing Contra Costa Firefighters Local 1230, alleged that Wheeler had told a firefighter he would not be promoted as long as he was a union board member.

“My basic feeling on this is that it truly is a shame that the district is going through this. We’re a fire department and we like to be always looked at in a positive light,” Craig said. “It has a negative impact on the fire chief and we should try to move forward.”

At the May 9 fire board meeting, numerous individuals spoke up against Wheeler's behavior but some defended him. The subject veered toward Wheeler's history, including a 2017 restraining order filed against him by an ex-girlfriend who accused Wheeler of stalking her. As part of the order, Wheeler had to turn in his Colt M4 and LWRC M6 rifles to a firearms dealer.

"He has threatened other firefighters and girlfriends on the side and he is a danger to everybody," said resident Chris Tallerico, who spoke up at the meeting.

Wheeler said in that meeting that the evidence of stalking was fabricated and represented a "street mob mentality." However, no court records support Wheeler's claim, but more than 100 pages of evidence, along with statements from the ex-girlfriend's attorney, appear to contradict claims that the case was fabricated.

At the May 9 meeting, Wheeler stated "once (the restraining order) goes away, I get my guns back."

In voting to censure Wheeler, director Thorpe said he was disturbed by Wheeler's statements about his guns.

"Not so much the return of his guns — to some extent I support the Second Amendment — but that's a whole other issue. His anger combined with that statement bothers me. I don't think the anger is appropriate and it makes me nervous."

On May 7, Wheeler emailed a letter of intent to file three lawsuits against the district, alleging libel, slander and First Amendment rights violations.

## East Bay Times

# Raise for Martinez police officers brings ray of light in shorthanded storm

By [Rick Hurd](#) | [rhurd@bayareanewsgroup.com](mailto:rhurd@bayareanewsgroup.com) | Bay Area News Group  
May 25, 2018 at 1:56 pm

MARTINEZ — It's a start.

That's about as far as the primary players would go when talking about the critical task of keeping this city safe, a job they say has been an uphill climb recently. On May 1, the City Council approved an 8 percent pay increase for its police officers, effective July 1. That bump of pay comes on top of the regularly scheduled 4 percent increase that was coming on the same day, a result of the city's contract that runs through June 30, 2019.

The decision offered a signal that the heaviest part of the storm may be past the Martinez Police Department. That said, the skies aren't exactly blue and sunny.

"This was really the perfect storm in the making," 24-year veteran Martinez police Officer Mike Estanol said. "It's gonna take a long time putting it back together."

The department's extremely shorthanded conditions "came to a head" about a year ago, Chief Martin Sappal said, and can be summed up this way: They've had so few officers available to patrol the neighborhoods that Sappal and his other command staff have done it themselves.

According to public figures, the average annual salary (\$85,536) and total compensation (\$143,316) for an officer in Martinez is significantly below neighboring cities Concord (\$100,896, \$158,364) and Pleasant Hill (\$100,128, \$163,980).

Estanol, the spokesman for the Martinez Police Officers Association, said a number of events led to the discrepancy, chief among them the procrastination of city leaders and the 2008 stock market crash.

"We never asked for raises," Estanol said. "I mean we'd bring it up, but were always told, 'Next time, next time.' Then the market crash (of 2008) happened, and our city couldn't make it work, so we fell further and further behind"

Normally, the department staffs 37 officers. Currently, only 31 man the department, though one of those vacancies will be filled by another officer who will return after recently taking the same position in Pittsburg. A recruiting drive is coming in June, but even then, only one of every 40 to 50 applicants ever make the final cut.

"Even with the 31 officers, two are in training, so they're not functional yet," Sappal said. "Then you have to make time for vacations and time off. So right now, we effectively have 23 usable

officers. Three officers had to go to dispatch. Command staff has had to be out in the field. I try to avoid it. It's not a good practice. But I'm out there. As a department head, I worry about burnout, and at what point does it get better?"

The shortage forced Sappal to pull an officer who was the department's liaison with the homeless community. Another officer whom Sappal used strictly on traffic enforcement is back in the field.

A second officer who went to Pittsburg is not returning. A third officer exited Martinez to take a lateral spot with San Pablo police. Several others have applied to other agencies over the past year, Estanol said.

The most recent raise approval did signal a move in a more positive direction, he said. The pay increase will cost the city \$720,000, which City Manager Anne Cardwell said in her report to the City Council would be paid from city reserves that have not yet been allocated.

"We think things are turning around a little bit," Mayor Rob Schroeder said. "In any kind of labor market, when you have a lot of jobs out there, you have a lot of competition and that creates some of these issues. Having said that, public safety is No. 1, and without public safety, everything else goes to hell."

Estanol called the raises a "short-term fix," and questioned whether they will provide any long-term sustainability.

Schroeder sounded caution, too, saying that "this is a very precarious time in our budget," because of costs related to the California Public Employment Retirement System "going through the roof." He said the city is in the process of getting a measure on the November ballot to address the concerns.

"The key question is what's the long-term sustainability," Estanol said. "We understand that we're expensive to deploy. At the same time, we're not asking to be the highest-paid officers in the county. ... As it stands now, most of our officers can't afford to buy a home in the city."

It's not exactly the kind of fact that lifts the spirits of the rank and file.

"Morale is down, but it's fair to say it's on a swing back up," Estanol said. "To be honest, those of us who work in this city like it and don't want to leave. If I didn't have a mortgage and bills to pay, I'd be happy to work for free. But we do have those bills, and they aren't getting any cheaper."

## East Bay Times

# Moraga: After defeat, council decides against stormwater measure in November



A traffic light is swallowed up by a 30 foot wide sinkhole at the intersection of Rheem Boulevard and Center Street in Moraga, Calif., on Monday, March 14, 2016. The sinkhole occurred Sunday around 2:30 pm and is an estimated 18-20 feet deep. PG&E spokesperson Tamar Sarkissian stated that there are about 2,500 people in the area without natural gas service. (Jose Carlos Fajardo/Bay Area News Group)

By [Jon Kawamoto](#) | [jkawamoto@bayareanewsgroup.com](mailto:jkawamoto@bayareanewsgroup.com) | Bay Area News Group  
May 25, 2018 at 6:45 am

MORAGA — Stung and disappointed by the defeat of a stormwater fee measure last week, Moraga Town Council members decided against putting the issue again before voters in November.

Instead, the council members agreed Wednesday night to allocate an expected increase in property tax revenues in the upcoming 2018-19 fiscal year budget toward fixing and improving Moraga's storm drainage system.

Council members also agreed to have new Town Manager Cynthia Battenberg come up with a priority list and a plan to address the storm drainage system. They also discussed the possibility of another measure, but not until 2019 or 2020 at the earliest.

“We should not be putting anything on the ballot in November,” said council member Kymberly Korpus, who said five months isn't enough time to change the minds of residents who voted

against the fee plan. Korpus also said she was “very disappointed” by the vote and described the storm drainage system as a “huge unfunded capital need.”

The measure was defeated May 17. Results showed that 52 percent, or 1,744 property owners, voted against the proposal, while 48 percent, or 1,607 property owners, were for the plan.

The measure proposed a fee ranging from \$67.59 to \$150.31 per house and would have raised about \$787,100 for fiscal year 2018-19. Since Moraga incorporated in 1974, there have not been any revenues dedicated for maintaining and improving the storm drainage system, according to the Moraga website.

“We are pleased that Moraga property owners defeated the poorly conceived storm drain fee measure,” said Brent Meyers, of SMARTMoraga, which opposed the measure, in an email before the Wednesday council meeting. “Beyond the measure’s structural deficiencies, the town’s significant efforts to campaign in favor of the tax directly and through its advocacy group – without any effort to deploy existing funds for infrastructure, and obfuscating the existence and purpose of those funds – was disappointing. We believe each of these, standalone, was reason enough to reject the measure, and it is likely the defeat would have been even more pronounced had the town included an ‘argument against’ in its ballot materials to provide a more balanced perspective for voters.”

Meyers added: “We hope this defeat will cause the town’s leadership to be introspective in terms of the use of existing tax dollars and the manner in which it conducted its campaign activities at the public’s expense, and that it will be more receptive to the public’s input and ideas than it has been historically.

“We also are hopeful that the town will do what it should have been doing initially: budgeting properly for maintenance and repairs; spending existing tax dollars and other sources of revenue for their intended purposes; prioritizing resident and town ‘needs’ over ‘wants’; and being open and honest with its residents,” Meyers said in the email.

Council member Jeanette Fritsky said she was “disappointed” in the results and blamed the council in part. She said the town needs “to look at ways of working together” because the “issue (of storm drainage system needs) isn’t going to go away.”

“A big part of the no vote has nothing to do with stormwater, nothing,” Fritsky said Wednesday. “It had to do with people’s vitriol against our council and what is happening and what has happened in the past. And I think we have to own that. I think we have to improve. I think we have to improve on transparency. I think we have to improve on decision-making.”

Instead of proposing a ballot measure in two years, Fritsky suggested the town council “start from ground zero” and look at options.

“We can do better; we need to do better because this is the first I’d call ‘smack in the head’ for our council and our town as to what people are thinking,” she said. “I own up to this. I think it was our fault.”

Published May 30th, 2018

## Fire officials issue defensible space guidelines

By Nick Marnell



Weed abatement is needed in a big way at this Moraga property. Photo Nick Marnell

Bay, it's all gone. The entire community - no more neighbors, churches, schools - they're gone. It is well worth the investment of time and energy to prevent this." Fire officials stress tree trimming, with no low branches under 6 feet from the ground. Keep the tree branches 3 to 5 feet away from the roof, and remove dead trees. "Lafayette has more trees than anywhere in our district, plus Lafayette is in a Very High Fire Hazard Severity Zone - there are bigger potential problems in Lafayette than anywhere else. Pay attention to what's going on around you, especially in the Upper Happy Valley and Hunsacker Canyon areas," said Robert Marshall, fire marshal of the Contra Costa County Fire Protection District.

Marshall also advised homeowners to keep their gutters cleaned. "People only think about cleaning their gutters in the winter, but do it in summer too. An ember can land into a clogged gutter and ignite," he said.

"We have been very fortunate in Lafayette over the past few years not to have had any devastating wildfires, and I hope the residents will take our recommendations seriously and we can have another safe year," ConFire Chief Jeff Carman said.

MOFD offers individual home assessments so homeowners can understand how unruly vegetation can prevent their home from surviving a fire. Tall grasses can be especially dangerous, Leonard said, so trim them to 3 inches. And clear out underbrush. "Grass transitions to small shrubs to large shrubs to trees. It's like building a campfire - you start with kindling, and go up to logs," Marshall said.

Leonard noted that people who live on an interior street have sometimes 15 feet of open space between their fence line and a major arterial like Moraga Way, which is a major Moraga evacuation route. Homeowners must maintain that area as the open space is on their parcel. In a heightened emphasis for 2018, the district will be leaving notices to clear the open space on approximately 350 parcels along Moraga Way.

MOFD will focus on improving its messaging this year by mailing out postcards, placing sandwich boards throughout the district, and posting information on social media and the district website, to make clear that everyone has to do their part. "Due to the semirural nature of our area and our proximity to large areas of undeveloped land, the risk of wildfire is very high," Fire Chief Dave Winnacker said. "Defensible space reduces the risk of damage to individual properties, and when taken in the aggregate, reduces the risk to entire neighborhoods and our community as a whole."

"We're burying our heads in the sand if we don't do anything," Leonard said.

Weed abatement deadline for Lafayette is May 31 and for Moraga and Orinda is June 15.

According to the California Department of Forestry and Fire Protection, defensible space is the buffer you create between a building on your property and the grass, trees, shrubs or wildland areas that surround it. This space slows or stops the spread of wildfire and it protects your home from catching fire - either from direct flame contact or radiant heat. Defensible space is also important for the protection of the firefighters defending your home.

After the horrors of the 2017 North Bay wildfires, both Lamorinda fire agencies are pushing extra hard this year to convince residents of the importance of this fire safety measure.

"Your home is your most important asset," said Kathy Leonard, fire marshal of the Moraga-Orinda Fire District. "Not just the building, but the contents. The loss of life's memories - you can't put a price on that. In the North

## East Bay Times

# Lafayette mayor clarifies his stand on contentious housing ballot plan



Mustard plants grown along the hillside of a proposed housing development site along Deer Hill Road on Wednesday, March 7, 2018 in Lafayette, Calif. (Aric Crabb/Bay Area News Group)

By [Jon Kawamoto](#) | [jkawamoto@bayareanewsgroup.com](mailto:jkawamoto@bayareanewsgroup.com) | Bay Area News Group  
PUBLISHED: May 30, 2018 at 5:53 am | UPDATED: **May 30, 2018** at 4:11 pm

LAFAYETTE — With less than a week to go before voters decide the fate of a contentious housing development, the Lafayette mayor clarified his support of the measure following the release of a campaign flier by supporters.

The latest in a series of campaign issues has to do with a Yes on L flier sent out May 23, with the cover headlines: “You make the call on Measure L ... YES or NO?” with photos and the smaller headlines, “Measure L, The Homes at Deer Hill” and “The Terraces Apartment Project.” The flier, which implies that an apartment complex will be built if voters reject a 44-house project, was paid for by Yes on L and from Dennis O’Brien, including the O’Brien Land Company, the developer of the project.

Tatzin posted on Nextdoor that he supports Measure L because he says “the project is an OK compromise ... and you are concerned about the risk and uncertainty regarding what happens next that a no vote creates.”

Tatzin added, “I still believe that key decisions may occur in court if no wins and possibly if yes wins.”

On June 5, voters will decide the fate of Measure L, which is proposing 44 houses on 22 acres, with a sports field, a playground, roundabout, dog park, parking lot and 11 acres of public parklands and trails.

Supporters and opponents disagree about the project's pollution risks and potential health hazards to people, especially children; the effect on traffic; location of the sports field and the playground; and the possibility of a 315-unit apartment project called the Terraces being built if the current proposal is defeated. Save Lafayette, a preservationist group opposed to the plan, says if the 44-house project is defeated, a referendum can be held on a future plan. The Lafayette city attorney has said repeatedly that the Terraces plan cannot be put up for a referendum.

Linda Murphy, a 19-year Lafayette resident and Acalanes High School and Stanley Middle School parent who is not affiliated with the Yes on L campaign, said in a Tuesday interview that the housing development is a "good compromise." She wants voters to be practical and realizes that the Deer Hill site is private property and will be developed, regardless of the outcome of Measure L. She said this is a rare opportunity for voters to decide on a plan.

"I want people to have their eyes wide open about this," she said. "I don't think the public realizes this is private property. If you think that by voting 'no,' you're voting no on development, you're wrong.

"It's not a scare tactic (about the Terraces apartment plan)," she continued. "We don't know how this will turn out. I would doubt the developer will try to negotiate a better deal if this is rejected."

Meanwhile, opponents are questioning the conclusions of the developer's commissioned report in April on air pollution risks at the Deer Hill site above Highway 24. They contend that the methodology was flawed and disagree with the finding that there is not a significant health risk.

In a May 19 letter to the Lafayette City Council, Devra Davis, a visiting professor of medicine at The Hebrew University in Jerusalem, Israel, who says she has experience in environmental health, said she reviewed the April 2018 pollution assessment and raised several issues about the methodology. Davis looked at the report by PlaceWorks, the Berkeley firm that did the study, at the request of some Lafayette residents.

"I consider it highly inadvisable for children's activities to be placed close to busy roadways and their unavoidable exposures to gaseous and particulate toxic air pollutants," Davis wrote.

In response, Angela Ramirez Holmes, spokeswoman for Yes on L, said: "Lafayette leaders would never put kids at risk, and we are all concerned about air quality."

Holmes noted that PlaceWorks determined that "there is no significant cancer-related, chronic, acute or particulate matter related health risk to park visitors and sports field users."

In a May 29 email to Bush of PlaceWorks, Alison Kirk, senior environmental planner with the Bay Area Air Quality Management District, stated that the Deer Hill housing project "does not

exceed the air district's California Environmental Quality Act significance thresholds for risk and hazards at either the individual threshold or cumulative threshold level.”

Kirk said the air district staff has reviewed the health risk assessment for the project and agrees with PlaceWorks' conclusion that hazardous air emissions from Highway 24 and other sources within a 1,000-foot radius of the project “not going to exceed the air district's significance thresholds, and that no mitigation measures are required at the project.”

Kirk added that the air district did not find that the project site has elevated levels of air pollution and it does not recommend “avoiding use of the project site for vulnerable populations such as children.”

Published May 30th, 2018

## Chief praises firefighters for improved MOFD turnout times

By Nick Marnell



Firefighters from the Moraga-Orinda Fire District contained a May 16 structure fire to the garage at 199 Corliss Drive in Moraga, with minimal fire, heat or smoke damage to living space in the home. No residents or firefighters were injured. Because of the extensive fire damage the cause and origin of the fire remain under investigation.

According to the district incident report, the call was dispatched at 8:17 a.m. and the first responding unit arrived seven minutes later. Fire Chief Dave Winnacker attributed the quick response to a speedy turnout time, and also to a bit of luck, as the Corliss home is surrounded by fire stations 41, 42 and 44. "And there was a fire hydrant right in front of the house," the chief said.

Photo courtesy MOFD

Improved turnout time, the period between the call dispatch and the crew's departure from the fire station, has been an emphasis for Winnacker. He identified areas where the district was able to improve the times, such as the replacement of defective hardware and through firefighter education.

When the chief pulled daily reports of turnout times, he noticed one station in particular lagged in reported times. The captains and the battalion chief reported nothing out of the ordinary in firefighter behavior during turnout, so when the chief officers dug deeper, they found that the station was using defective communication equipment. As the fire engine was already a couple of blocks down the road, the equipment was only then reporting that the engine had left the station. The equipment was replaced, and reported turnout times improved.

Code 3 calls, the most serious of emergency calls, include lights and sirens, while Code 2 calls are nonemergencies, with no lights and sirens. Winnacker found that the firefighters treated turnout for the Code 2 calls exactly that way: that they weren't emergencies, so no need for the crews to hustle into their turnout gear. Firefighters changed that mindset.

Other tweaks to the system included reorganized turnout at Station 41, which houses five firefighters but contains only one bathroom. (The station is scheduled for an overhaul in 2019.) Five people battling over one bathroom can be hectic when the bell goes off, so the companies arranged for the two medics to use the bathroom first so they could run the ambulance out of the station. That tiny adjustment saves precious seconds of ambulance turnout time.

District records show that March and April median turnout times dropped an average of 17 seconds from those of December, January and February to 1 minute, 16 seconds.

"The crews have been committed," Winnacker said. "Their work is what is responsible for the drop in turnout time."

Reach the reporter at: [nick@lamorindaweekly.com](mailto:nick@lamorindaweekly.com)

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**East Bay Times**

# How overwhelmed fire inspectors fail to protect us

By Thomas Peele

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96% of schools went more than a year without an inspection at least once from 2010 to 2017

93% of apartments and hotels also lapsed more than a year between inspections during the same period

OVERWHELMED and often disorganized, fire departments across the Bay Area routinely fail to perform state-required safety inspections of buildings where hundreds of thousands of Californians live and go to school. And despite the potential for tragedy, there are no consequences — and nobody paying attention — to make sure fire inspectors are getting the job done.

An investigation by the Bay Area News Group found many of the region's major fire departments are months — and often years — late on performing annual inspections at schools and apartment buildings. In many cases their record-keeping is so flawed, scores of residential buildings go unchecked altogether because fire marshals don't know they exist.

Such oversights can have horrifying results, such as what has happened over the last two years in Oakland, a city with a troubling inspection record where 40 people died in fires in a pair of buildings plagued with faulty wiring and other hazards. But this news organization's investigation found serious problems far beyond Oakland.

An analysis of inspection records over eight years from 11 of the Bay Area's largest fire agencies found nearly one-quarter of the 17,000 apartment buildings in the review weren't inspected in 2017, and, astonishingly, more than 400 hadn't been inspected since 2013.

Visits to a sampling of those apartment complexes revealed dangers that inspections could have corrected: gasoline and paint cans, piles of wood, discarded furniture and other flammable and bulky items collecting under stairwells and clogging escape paths.

“The longer the frequency between inspections the more likely something is going to go wrong,” said Ronny Coleman, a retired state fire marshal who calls annual inspections “absolutely critical.”

State law requires that fire departments inspect apartment buildings, hotels and motels and K-12 schools once every 12 months. But it establishes no method to ensure those inspections are done — agencies do not have to report their progress to Sacramento, and no outside authority audits compliance with the law. This news organization's review is the most comprehensive look at fire inspections in California ever undertaken.

The problems were not limited to apartments: Fire inspectors failed to set foot in 271 schools — or more than 30 percent of the total in the review — in 2017. Oakland inspected 11 of its schools only once over eight years. And Redwood City inspected four of its schools only once and 13 others only twice between 2012 and 2017, records show, when they should have been inspected at least six times each.

## **Fire inspections at bay area schools**

The Bay Area News Group analyzed how well 11 of the largest fire agencies in the region follow the state mandate to perform yearly fire inspections at K-12 public and private schools.

In 2018 America, there is another reason routine inspections are so critical at schools: The exits fire inspectors make sure are passable for fleeing a fire could be the same ones children need to run from a shooter.

And as recent blazes in San Jose, San Francisco and Concord have shown, preventing apartment fires isn't just about saving lives. It's also about saving homes in a region desperately mired in a historic housing shortage, with hundreds of thousands of Bay Area residents struggling to find affordable places to live.

## **One fire chief asks: 'What mandate?'**

Our analysis exposes what Contra Costa County Fire Marshal Robert Marshall called "a systematic failure" of inspection programs in his and other departments.

"I don't think we are alone in that," said Marshall, whose department failed to inspect 43 percent of the schools it is responsible for in 2017. Contra Costa's records on apartment buildings are so unreliable that we had to drop them from our analysis when it became unclear whether buildings in the data actually exist.

"Do they exist? Do they not exist? We just have to figure that out," said Marshall, whose department covers most of the county, acknowledging that he didn't know the problems were "this bad" until the Bay Area News Group raised repeated questions about his inspection data.

Marshall has resorted to combing through county tax assessor records for information on Contra Costa apartments. Inspectors in Redwood City walked the streets last year looking for buildings that the state requires be inspected.

And Hayward's fire chief seemed altogether unaware of the state law on inspections.

"What mandate?" Fire Chief Garrett Contreras said during an interview with the Bay Area News Group, even asking a reporter to point out specifics in the state code.

The specifics can be found in [the state Health and Safety Code](#), which requires that local fire departments annually conduct fire safety inspections of all residential buildings with three or more apartments, hotels, motels, and all K-12 public and private schools in their jurisdiction.

Hayward Fire inspects only apartment buildings with at least 16 units and an on-site building manager, Contreras said. Still, last year Hayward failed to inspect nearly 28 percent of those larger apartment complexes, according to our analysis. The city's code enforcement officers go to smaller buildings, Contreras said, "but don't look at (them) from a fire-prevention standpoint. ... That's not the world we operate in."

A veteran fire investigator found the Hayward chief's response troubling: "What's he thinking? If it's (an apartment building with) 10 people, I'm not worried?" asked John DeHaan, a Bay Area fire expert currently consulting with investigators in last year's deadly Grenfell Tower fire in London. "This is a lot worse than anything I would expect."

On May 18, about two weeks after the Bay Area News Group interviewed the Hayward chief, the city announced it was beginning a review of its fire inspection practices.

## **'Doesn't make any sense'**

Most fire agencies in the Bay Area take a similar approach to inspections: They employ small fire-prevention units of specially trained inspectors who work separately from firefighters, following the detailed requirements of city and state fire codes. The reasons the agencies offered for their failures were also similar: They blamed antiquated data management systems, small staffs and difficulty keeping up with problem properties that require repeat visits.

No fire agency confronted a tougher set of circumstances than Oakland, where poverty, urban crowding and an aging housing stock deepen the challenges of preventing fires. And none logged a deadlier record of futility.

The city found its practices in the spotlight when a four-alarm blaze in a three-story apartment building on San Pablo Avenue killed four residents on March 27, 2017, the culmination of years of missed inspections and failures to follow up on safety concerns. [Inspectors and firefighters had flagged the building](#) as a hazard three months before the deadly inferno, but no improvements had been made.

Months earlier, 36 people died in Oakland's deadliest fire ever during an electronic music party at a warehouse illegally converted into a living space for artists known as the Ghost Ship. The warehouse wasn't in the fire department's inspection logs — and had not been inspected — despite multiple complaints over the years and visits from Oakland firefighters and police who [expressed alarm](#) about the fire danger.

City leaders in Oakland promised to step up fire inspections after the two tragedies. Instead, our analysis found the number of fire inspections in the year after the Ghost Ship actually dropped by 15 percent. Fire Chief Darin White was able to look at more data and said in a statement the drop off was even higher — 25 percent.

“It doesn’t make any sense, that’s very clear,” said Kacey Smith, whose mother, Cassandra Robertson, 50, was killed when fire spread through the San Pablo Avenue halfway house where about 100 people lived.

“If your job is to check buildings and do inspections, why are buildings going uninspected and not being checked?” said Smith, 24, who is a plaintiff in a wrongful death suit against the city. “If you don’t do your job, there is always going to be a price to pay for something you do wrong. But it seems like they do something wrong and it’s ‘Whoops. Oopsies’.”

## The findings

72% of apartments in Oakland were not inspected last year

78% of schools in Redwood City were not inspected last year

We spent months gathering thousands of records and building a database to look at the frequency of fire inspections. The analysis of inspection records is a large sampling from 2010-17 covering more than 800 schools and 17,000 residential buildings, including apartments, motels and hotels.

Properties for which not enough information was listed — in some cases, for example, it was impossible from the records to confirm a structure is an apartment building — were excluded from the analysis. But fire marshals interviewed for this project acknowledged the flaws suggest a large number of buildings are being overlooked by inspectors.

On apartment inspections, Oakland’s fire department had the worst record, missing 72 percent of apartment buildings last year. And over the eight years analyzed, 32 percent of Oakland’s inspections were more than six months delinquent — or more than 18 months since the previous inspection — what we categorized as “exceedingly late.” Fremont had the second-worst record for apartments, missing 48 percent of apartment buildings last year and falling “exceedingly” behind on 27 percent of its inspections.

On schools, the data shows, Redwood City missed 78 percent of its schools last year and has been exceedingly late on 40 percent of its inspections overall; Oakland failed to inspect 77 percent of its schools last year, and has been exceedingly late 26 percent of the time. By comparison, Sunnyvale last year inspected all 26 of its schools in the analysis — the only department to manage that.

The investigation also found:

- **Fire inspectors blowing the state’s inspection mandate isn’t the exception — it’s the rule:** Nearly all of the schools — 96 percent — went more than a year without an inspection at least once during the eight-year period analyzed. Ninety-three percent of the apartment buildings and hotels also lapsed more than a year between inspections at least once.
- **Gaps between inspections are sometimes alarming:** More than 2,000 apartment buildings went at least three years between inspections and sometimes longer. Half of all apartment buildings and 72 percent of schools had at least one gap of 18 months or more. And one in 10 schools in the survey were overdue for an inspection for more than half of the eight-year period covered by the analysis.

- **Violations can mount when inspections are missed:** In Oakland, inspectors visited only 23 percent of the city's schools last year, according to the data. And 72 percent of the schools they did inspect failed for reasons like broken or uncertified fire alarms, blocked exits and missing evacuation maps.
- **Using firefighters to help perform inspections improves performance:** Most departments saw little to no growth in their ranks of fire inspectors in the past eight years, but the ones that tasked firefighters to perform inspections in between other duties maintained higher completion rates for apartment inspections last year, among them San Francisco (93 percent) and San Jose (84 percent). In contrast, Hayward and Fremont each relied solely on three full-time inspectors; Hayward inspected only 73 percent of its apartment buildings last year and Fremont only 47 percent.

## The risks: What are fire inspectors missing?

A horrific Chicago school fire in 1958 that killed 92 children and three nuns led to rapid changes in fire codes and inspections in schools across the country, including California. The state added mandatory inspections every 12 months for apartments and other residential buildings with more than three units in the mid 1980s as fire codes were improved again.

Many of the hazards that fire inspectors look for may not be apparent to the untrained eye: Are exits clear, stairwells safe, alarms and extinguishers serviced and functioning? Do doors designed to close automatically shut properly? Can people get out and, equally important, can firefighters get in?

Fire inspectors enter classrooms at schools but not individual units at apartments and hotels, where they are only required to inspect hallways, common areas, stairwells and the exterior of buildings.

But at some of the apartment buildings overdue for inspections, the fire dangers seemed obvious.

On a recent afternoon, an ashtray overflowing with cigarette butts sat next to a propane tank on the front steps at a six-unit converted house on 24th Street in East Oakland — last inspected in 2012, according to the city's data. A tenant who asked not to be identified said the building has no fire extinguishers.

Clarence Sparks worries that he'd "have to jump out" of his third-floor apartment on the 9900 block of MacArthur Boulevard if flames consumed it. He's probably right: Sheets of plywood, trash and paint cans were piled beneath the stairway he'd need to escape.

Records show the building was last inspected in May 2016 — almost half a year before the Ghost Ship tragedy.

Resident Erik Lyngen said he's "disgusted" by the Oakland Fire Department's performance.

The Jean Street apartment building where he lives with his family hadn't been checked for at least six years, records show, when an inspector arrived in late 2016.

Even then, Lyngen contends, the inspector overlooked a jammed escape mechanism that is supposed to unlatch metal bars covering his daughters' ground-floor bedroom window. "A deathtrap," he called it.

Also, the lock on one of the doors leading from the apartment was installed backwards, so he needed a key to get out rather than in — an obvious concern during a fire.

Lyngen said he insisted the inspector come back. "It was like pulling teeth." Eventually, the landlord was ordered to change the lock and the window bars were repaired.

But the experience left him beyond frustrated. "No one wants to take the lead and take responsibility," he said.

"I've got two daughters, my wife, myself. It isn't the Ghost Ship, but it is four more people."

## **Oakland chief not 'surprised'**

When confronted late last year with questions about some of the city's most delinquent inspections, Oakland's fire chief White offered a blunt response: "I won't say I'm surprised."

In a follow-up email in March, the chief blamed "chronic staffing shortages" and inspection data that is "in poor condition and contains inconsistent, deficient and inaccurate information."

White didn't respond to an invitation to send an inspector along with a reporter to what appeared to be some of the city's most alarming conditions at apartments long overdue for inspections.

He acknowledged the city's plan to hire more inspectors and clear up a backlog of inspections has taken longer than anticipated. The year after the Ghost Ship fire, the city's records showed it performed 446 fewer apartment building inspections than the year before.

The chief said the department has hired six inspectors since the Ghost Ship disaster and is moving to hire six more to bring the total to 20 inspectors by the end of 2018. It also is searching for a new leader for its Fire Prevention Bureau after embattled Fire Marshal Miguel Trujillo resigned at the end of March to take the same post in Gilroy. City officials promised more than a year ago to unveil a new database program to track inspections, but it will not be ready until sometime after June, White said.

"I'm here to look forward," the chief said, "look ahead on how we can make things better moving forward, recognizing full well what we haven't been able to do in the past."

## **Oakland's troubled fire inspection record**

Oakland had by far the worst record for performing state-mandated annual fire inspections of apartment buildings in the Bay Area News Group's survey of 11 local fire agencies. The fire department failed to inspect an astonishing 72 percent of the apartment buildings in its data last year — despite promises to step up its performance after the deadly Ghost Ship warehouse fire.

## Housing crunch heightens urgency

The Bay Area News Group's investigation revealed similar problems around the region. From Concord to Hayward to San Jose to Redwood City, fire hazards are easily visible outside apartment buildings overdue for inspections: piles of trash and portable propane tanks stored under exterior stairs; missing and outdated fire extinguishers; decks that serve as fire escapes and stairs clogged with bicycles, furniture and trash.

The consequences can be deadly. In 2016, the last year for which data is available, an average of nine people a day died in fires across the United States and a building fire was reported every 66 seconds. But that's down from 11 deaths per day in 2006, part of a decade-long national decline in fatalities attributed to increased safety precautions, such as fire sprinklers.

Routine inspections are a key part of that prevention, said Coleman, the retired state fire marshal, who has a quick answer whenever people ask why the inspections are important: "I prevented every fire that didn't happen."

In the Bay Area's scalding housing market, there's another reason why fire inspections are critical: to make sure fires that do start can be contained and stopped from spreading to save as many dwelling units as possible.

"In my mind that's gained more and more priority," said Berkeley Fire Chief Dave Brannigan, whose inspectors missed two-thirds of the city's K-12 schools and three out of 10 apartment complexes last year. As home to UC Berkeley, the city is responsible for inspecting fraternities, sororities and off-campus housing.

Instead of offering excuses, Brannigan asked the city's auditor to review his department's inspection process. That review began in early May.

When an apartment building fire displaces "families," Brannigan said, "most of those people have no idea where they are going to go and how they are going to get there."

Recent Bay Area fires have displaced more than 400 people, including 250 in Concord when a massive conflagration consumed an apartment building under construction and damaged nearby apartments.

In San Jose, an early morning five-alarm fire in April tore through a building at the Summerwind apartments, a large complex, displacing about 120 people from 36 units. Nobody was killed, but firefighters were forced to rescue 20 people who were trapped on balconies, as flames blocked other ways out.

The complex had passed inspections the past five years, including one in November, records show. But San Jose Fire Marshal Ivan Lee revealed in late May that his department had failed to follow up on a 2011 inspection that flagged a broken fire alarm at the complex that still hadn't been fixed and wasn't working the morning of the fire. San Jose Mayor Sam Liccardo [called the lapse an "unacceptable failure"](#) and he and two council members promised to push for reforms.

"We were very lucky," said Jade Oguero, who was cooking breakfast for her family in an apartment down a hallway from where the fire started. "We barely got out."

## **Failing schools in Redwood City**

While the analysis showed Oakland with the worst overall record of inspecting apartment buildings, Redwood City was the poorest performer in regularly inspecting schools.

Parent Kelaela Bass said she was shocked to learn of the lapses. Redwood City firefighters had inspected her children's school, Henry Ford Elementary, only twice between 2012 and the end of 2017, according to the fire department's inspection records. The school received six safety violations when last inspected in 2015, records show.

Three Redwood City schools received more than 20 fire code violations each when inspected in 2015. One, Roy Cloud Elementary, received 27 violations after not being inspected in two and a half years. They included blocked air vents, non-working exit lights, supplies piled too close to the ceiling, missing evacuation maps and other safety violations, records show.

A spokesman for the city school district insisted the schools are safe, noting that Redwood City (like most school districts) uses contractors to maintain fire alarms, extinguishers and other equipment. But while the spokesman first said that the contracted work is a substitute for the state-mandated inspection, by law it isn't. In fact, fire inspectors are supposed to verify that work is done properly and check for other potential problems, like whether exits are blocked or classroom walls are covered by too many posters or student projects.

It's "very, very scary," Bass said outside the school as she waited to pick up her son and daughter. "With everything that happened in Oakland, they should be on top of things."

Redwood City Fire Chief Stan Maupin acknowledged in an email his department is struggling to do that. The department's record keeping was such a problem that last year Maupin sent inspectors "walking our districts to ensure that the physical addresses (of buildings) matched our records," the chief wrote.

Maupin blamed the gaps on low staffing levels and a database that "did not perform to our expectations." He wouldn't elaborate.

After persistent questions from this news organization, Redwood City City Manager Melissa Stevenson Diaz said the fire department is now working to complete a round of school inspections by the end of June.

## **Perfect score on schools in Sunnyvale**

With no outside monitoring, residents have no way of knowing whether their fire departments are falling miserably behind on the state's yearly inspection mandate. Until we notified them, some Bay Area fire chiefs and fire marshals were even unaware of their own performance.

But Sunnyvale Fire Marshal Lynne Kilpatrick was keenly aware. Her department got to 100 percent of the city's schools in the analysis last year. It also had the lowest percentage — 4.65 percent — of apartments considered "exceedingly late" for inspections in the survey.

# How to check on your apartment building or kids' school

California law requires annual fire safety inspections of [K-12 public and private schools](#) and [apartment buildings](#). Local fire departments are required to inspect them no later than 365 days since the previous inspection, but this often doesn't happen until months, or years, after an inspection is due.

Unlike a common trend in food safety inspections at grocery stores and restaurants, there are no public postings required in schools or apartment buildings showing the details of the last fire safety inspection. But the information is [public record](#) and available from fire departments. The public also can call their local fire marshal's office or fire prevention bureau to ask about previous inspections as well as to report unsafe conditions that should be checked.

Kilpatrick, who ran Seattle's hazardous materials inspection program for 21 years and has a degree in chemical engineering, said she has made the mandatory inspections a priority and closely tracks her department's progress. Despite the clunky software hers and many other fire inspection programs are saddled with, the mandate can be met through strong management, she said.

Firefighters working out of six stations do the majority of Sunnyvale's inspections in addition to other duties. Kilpatrick creates monthly reports for her inspectors to make sure they are on track and sets clear expectations.

"We hold them accountable," she said. "State-mandated inspections are a priority for us."

Kilpatrick said the results would improve across California if fire marshals were required to send annual reports to the state showing how they are meeting the state mandate for annual inspections.

Currently, the state fire marshal, California's top fire safety and prevention official, makes no checks to ensure inspections are done on time and offers no guidance for departments to format inspection records. And the office isn't prepared to start, said California Fire Marshal Dennis Mathisen.

Monitoring or auditing inspections would "be a large amount of work," that the state can't take on, Mathisen said during an interview in Sacramento.

"The law is the law," Mathisen said, but he refused to criticize departments that miss deadlines. "It's not my place to say what's OK and what's not OK."

But state Sen. Jerry Hill, D-San Mateo, said this news organization's findings show lawmakers need to make changes.

"The legislature has already made (inspections) a priority," said Hill, who has taken the lead in the Legislature on other public safety issues such as demanding reforms after PG&E's San Bruno

pipeline explosion. Gaps between inspections show “a violation of a law the legislature has already established,” Hill said. “The law itself is not adequate. There is no carrot or stick.”

Hill said he wants the Legislature to consider reforms, such as requiring local fire departments to send the state annual reports on their fire inspections to improve accountability.

“Something else needs to be done,” he said.

Advocates for both tenants and apartment building owners agree. Tom Bannon, CEO of the California Apartment Association, said he was “surprised and baffled” by the Bay Area News Group’s findings, and promised his organization would not oppose such accountability efforts because inspections are “already the law.” Toughening requirements to ensure that fire departments perform them and the state reviews the results wouldn’t burden apartment owners, he said.

## **A searing image**

The importance of inspections isn’t lost on Marshall, the Contra Costa County fire marshal.

He has trouble reconciling the shortcomings in his own inspection program with a photo he shows his inspectors to drive home the profound impact of their job.

In the photograph, the stairwell of an apartment building is black with soot, except for the place where a 3-year-old boy was found overcome by searing heat and smoke, the outline of his tiny body clearly visible on the carpet. The boy’s mother had led him and his 9-year-old brother down the stairwell in a futile effort to escape a blaze, but a disabled fire safety door was ajar, allowing flames to sweep in. All three died.

“They perished because of a fire code violation that we knew about and had written up,” said Marshall, who snapped the photo at an apartment fire in 2002 in San Mateo County when he worked there. “We were going back to reinspect it literally the next day.”

As he pulled up to the fire, Marshall remembers the 3-year-old boy was being wheeled to an ambulance as a medic tried to keep him alive with CPR.

“I will never forget that,” he said.

*Students from the University of California Berkeley Graduate School of Journalism contributed to this report.*

## **HOW WE DID THE STORY**

Following the tragic Ghost Ship and San Pablo Avenue fires in Oakland that killed 40 people, the Bay Area News Group began an investigation into the enforcement of state fire safety laws. This news organization acquired fire inspection data from 11 Bay Area fire departments and analyzed it to check compliance with state law requiring annual safety inspections of schools and apartment buildings.

This news organization limited the analysis to major fire departments that were able to provide electronic data for review.

The data covered 2010-2017 with a few exceptions. Apartment inspection data from two departments, the Contra Costa County Fire Protection District and the Santa Clara County Fire Department, could not be used because it lacked key information needed to identify apartment buildings, such as a building name or accurate address.

Also, Contra Costa's school data was analyzed starting with 2011 inspections and Redwood City's school and apartment data was analyzed starting with 2012 inspections, the year the city began keeping electronic records.

Since the state does not specify how inspections should be recorded, the investigation had to refine and standardize each department's data set, often cleaning up variations of names and addresses for a single school or apartment building to check the frequency of inspections.

We gave the benefit of the doubt to inspectors, counting any recorded visit to an apartment building, including follow-ups, as an inspection on the advice of experts who said any time an inspector goes to a property is an opportunity to enhance safety. We applied the same principle to schools.

Overall, we looked at records of 874 schools covering 14,606 individual inspections. For apartments and hotels/motels, we looked at 119,658 inspection records covering 17,008 buildings.

Not all schools and apartment buildings in a given city are in the data. Some could not be fully identified in the records fire departments provided. When there was any doubt that an address, name or building type was correct, we omitted it from the analysis. We also removed buildings that appeared to be condominiums, which are private homes and not subject to inspections.

## About the authors

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## The Sacramento Bee

# 360,000 Californians have unsafe drinking water. Are you one of them?

By Dale Kasler, Phillip Reese and Ryan Sabalow

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Updated 23 minutes ago

At the Shiloh elementary school near Modesto, drinking fountains sit abandoned, covered in clear plastic.

At [Mom and Pop's Diner](#), a fixture in the Merced County town of Dos Palos, regulars ask for bottled water because they know better than to consume what comes out of the tap.

And in rural Alpaugh, a few miles west of Highway 99 in Tulare County, residents such as Sandra Meraz have spent more than four decades worrying about what flows from their faucets.

"You drink the water at your own risk," said Meraz, 77. "And that shouldn't be. We have families here with young children."

An estimated 360,000 Californians are served by water systems with unsafe drinking water, according to a McClatchy analysis of data compiled by the State Water Resources Control Board. In many communities, people drink, shower, cook and wash dishes with water containing excessive amounts of pollutants, including arsenic, nitrates and uranium.

The state's water problem, however, is far more pervasive than that number indicates. At least 6 million Californians are served by water providers that have been in violation of state standards at some point since 2012, according to McClatchy's analysis. In some areas, contaminated water is such a common occurrence, residents have almost come to expect it.

"It's ubiquitous," said Darrin Polhemus, the state water board's deputy director for drinking water. "It's pretty extensive across broad swaths."

Now, after years of half solutions, the state is considering its most comprehensive actions to date. Gov. Jerry Brown has asked the Legislature to enact a [statewide tax on drinking water](#) to fix wells and treatment systems in distressed communities. Residents and businesses would pay a tax on their monthly water bills, while agriculture would contribute through taxes on fertilizer purchases and fees paid by dairy farmers and feedlot operators.

For the average Californian, the tax would mean paying an additional \$11.40 per year.

A two-thirds majority is required for passage of the tax, and a powerful consortium of urban water agencies is trying to defeat the bill, arguing they should not have to pay for what is largely a rural problem. The bill is due to be voted on this summer.

Whether or not the Legislature acts, voters might step in. Proposition 68, a parks-and-water bond on Tuesday's primary ballot, would earmark \$250 million to combat polluted drinking water. A second proposition, which has qualified for the November ballot, would set aside \$500 million to address the problem.

For those who lobby the Legislature on water issues, [the influx of dollars would be long overdue](#). Contaminated water has been acknowledged as a significant problem for decades. In 1995, the U.S. Environmental Protection Agency said California needed \$34 billion to clean up its drinking supplies.

Isabel Solorio has had water issues since she and her husband moved to Lanare, a small farming community south of Fresno, 20 years ago. The water smelled like rotten eggs and had a yellowish color, she said.

In her role as president of the local advocacy group Community United, she travels to Sacramento to lobby on issues such as the drinking water tax.

"The legislators of this state should have acted several years ago," she said. "It's not fair that we support the state economically, but we don't have clean water."

## **A greater awareness**

Why all the attention to water now?

Six years ago, the Legislature passed the Human Right to Water Act, which recognizes that everyone "has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes."

The law is only one page long and doesn't appropriate any money or levy any taxes to fund its declaration. But along with California's epic five-year drought and the drinking-water scandal in Flint, Mich., the bill has generated considerable momentum for addressing the dilemma.

"There's more general awareness about drinking water being an issue," said Laurel Firestone, co-executive director of the advocacy group Community Water Center.

California has 3,015 independent water systems. As of May, [269 of these suppliers](#) were out of compliance with state drinking water standards.

Of those 269 water systems, 141 are found in five counties of the San Joaquin Valley: Stanislaus, Madera, Fresno, Tulare and Kern. However, 38 of California's 58 counties have at least one water supplier in violation of state water standards.

In the Valley, 185,000 residents are served by water systems deemed out of compliance by the state water board. The region has some of the highest rates of nitrate contamination in the United States, a problem linked to the widespread application of fertilizer and the runoff from livestock in the nation's most productive farm belt.

High levels of nitrates can reduce oxygen levels in newborns' blood, suffocating them through a disorder called "blue baby syndrome." [Studies also have linked nitrates](#) to birth defects and

various forms of cancer. Little research has been done, however, to determine whether more people are getting sick because of contaminated water in the Valley.

The Valley's troubles worsened during the drought, when desperate farmers pumped groundwater for irrigation. That lowered water tables throughout the region, bringing nitrates into contact with the intakes of communities' wells. Polhemus said pumping worsened the prevalence of naturally occurring arsenic, one of the biggest water contaminants in the state. Long-term exposure to high levels of the metal has been linked to lung, skin and bladder cancer, along with other illnesses.

In Dos Palos, where the water contains potentially harmful chemicals known as trihalomethanes, Joaquin Garcia has 5-gallon jugs of clean water delivered to his home. Trihalomethanes are found in water systems with inadequate or faulty purification. Long-term exposure to them has been linked to liver and kidney problems and an increased cancer risk.

On the outskirts of town, Victor Navarro's family installed a \$6,000 filtration system to clean the well water. "To be honest, I don't even know if it does anything," said Navarro, 25, who works as a truck driver.

Some Dos Palos residents say they avoid drinking tap water and choose to buy bottled water in Dos Palos, Calif., on Wednesday, May 23, 2018. According to state records, a Dos Palos city well has failed tests at least 22 times since 2013.

Researchers at UC Davis who have studied the problem say unsafe drinking water goes hand-in-hand with another Valley issue: poverty. Farmworkers and other rural residents generally live in isolated, unincorporated communities served by water districts that lack the resources and expertise to address contamination.

UC Davis professor Jonathan London, lead author of a study published in February, said the prevalence of underfunded water providers is partly a legacy of the Valley's historical development, which segregated Latino workers in farm-labor camps or isolated communities, usually cut off from city services.

"There are so many of these disadvantaged unincorporated communities, and the water districts have sort of followed," London said.

The result is tens of thousands of Valley residents, many of them poor, with substandard water coming out of their taps. The UC Davis study also said Valley residents often "pay a triple penalty" to obtain safe water: Not only do they face health risks, their water bills tend to be higher, and they have to buy expensive bottled water on top of that.

Water problems, however, aren't limited to the San Joaquin Valley. In San Miguel, not far from Paso Robles' tony wine country in San Luis Obispo County, students and teachers at Pleasant Valley Elementary School have gone without clean water on campus for more than five years because of excessive arsenic.

Children carry around personal water bottles supplied by the school. Water coolers sit next to the unused drinking fountains.

"We haven't gotten too many complaints," said school principal Wendy Nielsen. The school plans on installing a new well and treatment system, funded with state grants, by the end of summer.

State officials estimate 30 schools and day care centers, serving more 12,000 children, have unsafe water.

### **Tiny systems, big issues**

For years, the water piped into Shannon Hoff's mobile home in Isleton, a tiny Delta town around 40 miles south of Sacramento, [exceeded state standards for arsenic](#). The family uses bottled water to drink, cook and brush their teeth. But they have no choice when it comes to bathing.

"What's going to happen to these guys further down the road?" Hoff said, while her 10-month-old son, Hunter, played on the floor beside his 19-year-old sister, Taylor, on a recent afternoon.

The park's owners have spent more than \$500,000 on a new treatment system. After months of regulatory delays, it went online a few weeks ago. The cost of the upgrades will be passed along to the 250 people who live in the park, said Brock Kaveny, the president of Cascade Community Management, the property management firm that runs the park.

Last week, the system malfunctioned, sending gushes of dark brown water into toilets, sinks and showers. Kaveny said the problem was temporary.

"That's not indicative of the water served there," Kaveny said. But residents such as Hoff who have received stacks of notices over the years warning about contamination aren't giving up their bottled water any time soon.

Approximately 2,100 of the state's water systems serve fewer than 500 residents; many of the utilities serve fewer than 75 customers in a single trailer park, school or a subdivision. Often, they are privately run.

Small agencies account for 80 percent of the citations the state water board issues every year. Many are operated by a single employee or volunteers, yet they are required to perform the same duties as a well-funded municipal water district with dozens of staff members serving tens of thousands of people.

"They have almost no capacity," said Polhemus, the state water board official.

While the proliferation of underfunded districts is a widely acknowledged problem, state officials say they have only begun to chip away at it. SB 88, passed in 2015, gives the state water board the authority to force small distressed systems to merge with well-financed municipal water agencies, many of which have boundaries just a few hundred feet away.

Water in the historic Delta town of Locke is tainted with arsenic. The solution? Getting water from nearby Walnut Grove.

But only a handful of mergers have taken place since the bill passed. Municipal agencies have balked at taking on the expense of upgrading a troubled water system with rusty equipment, inadequate treatment systems and a history of violations, Polhemus said.

Statewide, the water board spent \$243 million in the past year helping local water districts with capital improvements under a joint state-federal program. Since 2014, it also has disbursed \$43 million in Proposition 1 water-bond funds for community water tanks, filtration systems and other upgrades. The state has spent \$14 million shipping bottled water to distressed water providers since 2014.

The Brown administration says far more money is needed to correct the problem.

### **'We are paying'**

Enter the proposed drinking-water tax.

The bill would raise an estimated \$140 million a year, with most of the money going to help disadvantaged communities fix their contamination problems. Residential water bills across the state would increase by 95 cents per month. Low-income earners would be exempted from the tax. Businesses would pay \$4 to \$10 a month.

In addition to the \$110 million those taxes would generate, agriculture would kick in another \$30 million a year through a tax on fertilizer as well as dairy production and livestock feedlots, said [Sen. Bill Monning](#), D-Monterey, who introduced a similar proposal last year. In return, farmers would receive some regulatory relief: As long as they follow "best practices" on limiting nitrate discharges, they would be freed from disciplinary action by the state water board, Monning said.

The bill's supporters include a strange-bedfellow alliance of farmers and environmental-justice advocates, but Monning said it will take "a big lift" to get the two-thirds majority the tax needs for passage in the Legislature. Two Republican senators co-authored the bill, but no Assembly Republicans have voiced support for it, said Assembly Republican leader [Brian Dahle](#), R-Bieber.

The [Association of California Water Agencies](#), which represents the big urban suppliers, [is trying to kill the bill](#). Tim Quinn, the association's executive director, said a problem caused to a considerable degree by farming shouldn't be solved "by putting a charge on somebody's bill in Los Angeles or San Diego or San Francisco." He said other funding sources should be explored instead.

The Brown administration, however, said the problem of unsafe water isn't just agriculture's fault, so farmers shouldn't have to pay more than their fair share.

"We are paying, and we are volunteering to be part of the solution," said Anja Raudabaugh of [Western United Dairymen](#), an association representing more than 1,000 of the state's dairy producers that supports the proposed tax.

In many communities solutions have been elusive.

In Lanare, the community service district received a \$1 million federal grant in 2006 to treat arsenic contamination. After six months, the plant had to be shut down because there weren't

enough funds to operate it. The district later was put into receivership and a new board was elected. Now two new wells are scheduled to come online this fall.

They won't come soon enough for residents like Solorio, the local clean-water advocate.

"The water gives us life," she said. "But if the water is sick, it can also kill us."

*Nashelly Chavez from The Sacramento Bee, Matt Fountain from the San Luis Obispo Tribune, Thaddeus Miller from the Merced Sun-Star, Robert Rodriguez from The Fresno Bee and Kevin Valine from The Modesto Bee contributed to this article.*

*Five McClatchy news organizations in California worked with Tim Swanson, regional editor for enterprise and investigation, on this project. If you have feedback or story suggestions, contact him at [tswanson@sacbee.com](mailto:tswanson@sacbee.com). Thank you for supporting local journalism in the state and in your local community.*

# **Drought or no drought: Jerry Brown sets permanent water conservation rules for Californians**

By [Paul Rogers](#) | [progers@bayareanewsgroup.com](mailto:progers@bayareanewsgroup.com) |

PUBLISHED: May 31, 2018 at 3:30 pm | UPDATED: **June 1, 2018** at 6:00 am

Although he declared an end to California's historic five-year drought last year, Gov. Jerry Brown on Thursday signed two new laws that will require cities and water districts across the state to set permanent water conservation rules, even in non-drought years.

“In preparation for the next drought and our changing environment, we must use our precious resources wisely,” Brown said in a statement. “We have efficiency goals for energy and cars – and now we have them for water.”

Brown signed two bills, [SB 606](#) by Sen. Robert Hertzberg (D-Van Nuys) and [AB 1668](#) by Assemblywoman Laura Friedman (D-Glendale), that require cities, water districts and large agricultural water districts to set strict annual water budgets, potentially facing fines of \$1,000 per day if they don't meet them, and \$10,000 a day during drought emergencies.

Under the bills, each urban water provider will be required to come up with a target for water use by 2022. Fines for agencies failing to meet their goals can begin in 2027.

The targets must be approved by the State Water Resources Control Board between now and then, and will vary by city and county.

Standards will be based on a formula that is made up of three main factors: an allowance of 55 gallons per person per day for indoor water use — dropping to 50 gallons by 2030; a yet-to-be determined amount for residential outdoor use that will vary depending on regional climates; and a standard for water loss due to leak rates in water system pipes.

The new laws make it likely that water agencies will need to offer more rebates for home owners and business owners who replace lawns with drought-tolerant plants and who purchase water efficient appliances. The agencies could also limit the hours and days of lawn watering, even when droughts are not occurring.

The laws are a response to complaints from some water agencies that the mandatory water targets the Brown administration put in place during the drought were too inflexible and didn't take into account local water supplies, population growth and other factors. Those limits ranged from an 8 percent reduction in water use to a 36 percent reduction, based on each community's per-capita water use.

The months-long debate over the new laws split the water community, environmental groups and business groups.

Organizations who supported the new laws say it makes sense to reduce demand as the state's population grows, and allow each local area the flexibility for devising their own plan while California continues to develop new supplies, from recycled water to storm water capture to new reservoirs.

Supporters included business groups such as the Bay Area Council and the Silicon Valley Leadership Group, along with water agencies like the Contra Costa Water District, East Bay Municipal Utility District, the Santa Clara Valley Water District, and the Metropolitan Water District of Southern California. Environmentalists supporting the laws included the Audubon Society, the Nature Conservancy and the Natural Resources Defense Council.

"They are definitely a step in the right direction," said Tracy Quinn, water conservation director for the Natural Resources Defense Council, of the new laws. "The framework strikes the right balance between local control and necessary state oversight."

Quinn said that most cities and water districts in California already are close to, or under, a standard of 55 gallons per person per day for indoor use.

Last year, urban Californians used an average of 90 gallons of water per person per day for indoor and outdoor use combined, down from 109 gallons in 2013, according to the state water board. Most communities using more were located in hot places in Southern California and the Sacramento area, while cities with smaller yards and coastal areas with cooler climates used less. In the summer at least half of residential water use in most communities goes to watering lawns and landscaping.

Environmentalists like Sierra Club California said the rules didn't go far enough. Of particular concern was a compromise inserted in the bill that allowed cities and water districts to get 15 percent credit on their water use totals if they produce certain types of recycled water.

"All water should be valued," said Sara Aminzadeh, executive director of the California Coastkeeper Alliance, which opposed the bills. "With energy we wouldn't want to offer incentives for the wasteful use of solar or wind energy. Likewise, we want to make sure all water is used efficiently."

Some of the state's major water agencies also opposed it, many on the general argument that Sacramento shouldn't be telling local government what to do. Among the opponents were the Alameda County Water District, Kern County Water Agency, San Diego County Water Authority, and the Zone 7 Water Agency in Livermore.

"Every local water agency supports conservation and has a responsibility to make sure its water users use water efficiently," said Tim Quinn, executive director of the Association of California Water Agencies, which opposed the bill. "This was never about whether we should be pursuing conservation. It was about how."

**East Bay Times**

# California lawmaker proposes bill to force accountability on fire inspections

By [Thomas Peele](#) | [tpeele@bayareanewsgroup.com](mailto:tpeele@bayareanewsgroup.com) | Bay Area News Group

PUBLISHED: June 4, 2018 at 7:23 pm | UPDATED: **June 5, 2018** at 1:32 pm

Calling California's broken system of fire safety inspections intolerable and a threat to public safety, a state senator on Monday said he will introduce legislation to force local fire departments to notify the public how well they are following the state mandate to inspect schools and apartment buildings each year.

The proposal from Sen. Jerry Hill, D-San Mateo, comes in response to [a Bay Area News Group investigation published this weekend](#) that exposed how the region's biggest fire departments routinely fail to perform the annual inspections in buildings where hundreds of thousands of Californians live and go to school. The report also revealed how, despite the potential for tragedy, there is no oversight — and no consequences — to make sure fire inspectors are doing the job.

Hill's bill would require fire departments to issue annual reports to their local governing bodies, such as city councils and county boards, to ensure they are meeting the state mandates. Hill said the reports would be “the least costly and create the greatest accountability” and envisioned they would be tied to annual budget requests.

Hill plans to introduce the legislation this week in a process known as gut-and-amend, swapping it with another piece of legislation that focused on the [state Public Utilities Commission](#).

“This issue is so important, I don't believe it can wait,” Hill said.

This news organization reported that local fire departments across the Bay Area were overwhelmed and disorganized in completing the inspections. An analysis of eight years of inspection records for more than 17,000 Bay Area apartment buildings and more than 800 schools found local fire departments sometimes miss the annual deadline by years.

The Bay Area News Group launched its investigation to see how widespread problems were after a pair of deadly fires in Oakland exposed that city's troubling record with fire inspections. Last year, Oakland failed to inspect 72 percent of the apartment buildings in its data.

But the investigation found 97 percent of schools in the coverage areas of 11 large fire departments went more than a year between inspections at least once from 2010-2017. Apartment buildings, hotels and motels fared little better, with 93 percent of them going more than a year without an inspection.

Hill's proposal for new legislation came as two Contra Costa County supervisors joined a chorus of local officials calling for action in response to the investigation's findings. Contra Costa County's fire inspection records were so unreliable, the county's fire marshal acknowledged it was unclear whether buildings in its data actually existed.

"The Bay Area News Group investigation raises some serious issues regarding fire safety inspection practices of Bay Area fire agencies, including our own," Supervisor John Gioia wrote in an email, referring to the county fire department. Both Gioia and board President Karen Mitchoff said they have asked for a report on the county's inspections from the department, which the supervisors oversee.

Gioia said he was seeking to "identify any actions needed to improve inspection practices." Mitchoff said she plans to ask for a report at a supervisor's meeting Tuesday morning.

In Hayward, a review of inspection practices is underway after Chief Garrett Contreras questioned a reporter with this news organization about the existence of the state mandate. He said Hayward's fire department doesn't inspect any apartment buildings with fewer than 16 dwelling units — despite the state requirement that apartment buildings with three or more units are inspected each year. Within two weeks of the interview, the city announced it would review its fire inspection practices.

"Fire chiefs and fire marshals absolutely need to be aware of their legal responsibilities," state Fire Marshall Dennis Mathisen wrote in an email Monday. His staff offers frequent training on the state requirements, he said.

But Mathisen, who has refused to criticize departments with poor inspection records, wrote Monday that "fire inspections are an important component of a community's risk reduction plan" and "need to be supported at the local level."

He said Monday he couldn't comment on Hill's proposal until he reads the legislation.

Redwood City and San Jose also are taking action after the Bay Area News Group exposed problems with their inspections. Redwood City is working to complete a round of school inspections by the end of this month after not inspecting 78 percent of its schools last year, city manager Melissa Stevenson Diaz said last month. She did not answer follow-up questions Monday.

In San Jose, two council members said they want a review of inspections after the Bay Area News Group reported last week that a fire alarm in an apartment building that burned in April had been broken for seven years without fire department followup. The building passed at least five annual inspections by firefighters despite the broken alarm, which did not have a city permit or state certification.

# Lawrence Berkeley scientists find a cool way to save water

By [Jeremy Rehm](#) | Monterey Herald

PUBLISHED: June 4, 2018 at 6:00 am | UPDATED: **June 5, 2018** at 5:03 am

Saving water may be as simple as changing the type of roof you have, two scientists in Berkeley discovered.

That might sound far-fetched, but their new findings about “cool” roofs recently published in the journal Nature Communications showed for the first time that it’s possible — and it could save California cities millions of gallons of water each year.

“This is a very intriguing study,” Stet Sanborn, associate principal for the green-engineering Integral Group branch in Oakland, said in an email. “It reinforces the interconnected web between water and energy, and I think the impact (of its findings) is significant and worth attention.”

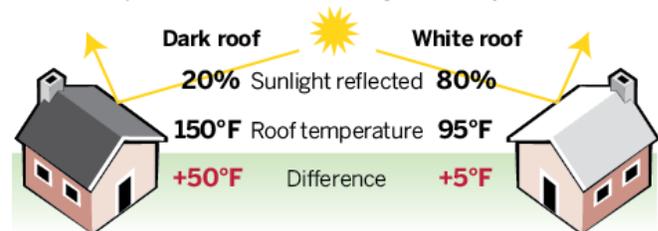
“Cool” roofs are normal roofs built from or coated with a material that reflects heat rather than absorbs it, which often means they’re light in color.

It’s a lot like wearing a light-colored T-shirt versus wearing a dark one on a hot summer day: The lighter color reflects heat, keeping you cooler, whereas a dark T-shirt absorbs heat, making you feel hot, sweaty and uncomfortable.

That simple concept can cut business costs on air conditioning by 30 percent, says Amber Hoiska, who is the marketing director for Cool Roofing Systems, Inc. in San Jose and has been in the industry for 15 years. And those cuts, in turn, help reduce energy production that requires the release of carbon dioxide and detrimentally affects the environment.

### SAVINGS FROM COOLER ROOFS

A dark-colored roof absorbs greater heat than roofs of white or reflective materials. Buildings with the latter would often see 10-15% in energy savings in reduced air conditioning costs. Here are the temperature differences during a 90°F day:



### Estimated savings in irrigation water

In addition to energy savings, cooler roofs could reduce irrigation water usage by lowering the temperatures in the neighborhood.

County	Savings	Savings in millions of gallons per day	Population	Savings in gallons per capita per day
Los Angeles	9.1%	-83	10,120,000	-8.2
Orange	7.9	-30	3,146,000	-9.7
San Bernardino	7.3	-29	2,113,000	-13.8
Stanislaus	7.3	-7	531,997	-12.7
San Francisco	7.3	-2	852,469	-1.8
San Joaquin	7.2	-8	715,597	-11.9
Sacramento	7.1	-20	1,482,000	-13.8
Santa Clara	6.6	-19	1,895,000	-10.2
Alameda	6.6	-13	1,611,000	-8.3
Placer	5.5	-6	371,694	-15.4
Solano	5.5	-5	431,131	-11.9
San Diego	5.3	-37	3,263,000	-11.2
Contra Costa	5.3	-14	1,111,000	-12.6
San Mateo	5.1	-7	758,581	-9.6
Riverside	4.8	-29	2,329,000	-12.4
Napa	4.5	-2	141,667	-13.1
Marin	4.1	-4	260,750	-15.3
Sonoma	4.0	-5	500,292	-10.7

Source: Berkeley Lab, Department of Energy, Pouya Vahmani and Andrew Jones, Lawrence Berkeley National Laboratory BAY AREA NEWS GROUP

Benefits such as these have been known for at least two decades and motivated the current Title 24 standards set by the California Energy Commission for constructed buildings.

But Pouya Vahmani and Andrew Jones, both scientists at Lawrence Berkeley National Laboratory in Berkeley and the authors of the new study, saw potential in this cooling effect on more than just cutting costs. They saw a potential impact on one of California's most pressing issues that nobody else considered: water.

Using a computer model to simulate the next 15 years of dry-season temperatures and weather conditions down to 1-by-1-mile neighborhoods in 18 California counties, the scientists found the average temperature of cities built with "cool" roofs rather than traditional ones dropped by 3 to 4 degrees, which was enough to save cities like San Francisco anywhere from 4.1 to 7.3 percent of the gallons of water used per person per day for landscaping like lawns or home gardens.

Their finding stems from the effect that "cool" roofs have on what scientists call the "heat island effect," a phenomenon in which cities tend to have temperatures 2 to 5 degrees hotter than only a few miles outside the city, the scientists explain. "Cool" roofs help bring that temperature difference back into balance by lowering the overall temperature of the city.

This alteration to the "heat island effect" was not surprising to Hoiska.

"People always think about the heat island effect with pavement," Hoiska said, referring to how the materials and dark colors of pavement heat up the city. "But it's the exact same concept with roofing, and that's because roofing is usually made of asphalt."

To make a roof waterproof, traditional roofs typically have a coat of material made from unreflective granules of dark-colored asphalt. But while waterproof, it means the roof heats up — a lot.

Regular roofs can reach temperatures in excess of 50 degrees hotter than the air only feet above it, according to the U.S. Department of Energy, creating sweltering conditions for the unlucky people inside the building. And if thousands of those roofs are close together in a city, it's little surprise it helps create that "heat island."

But the idea that "cool" roofs can have an impact on water usage, "That's a new one to me," Alex Bergeron, vice president of Teal City Roofing Inc. in San Jose, said as he let out a chuckle.

Turning a roof into a "cool" one requires specially reflective asphalt granules or a coat of white paint, which effectively drops the difference between roof temperature and the air around it to between 5 and 10 degrees rather than the scorching 50 degrees difference before. Installing "cool" structures such as these roofs, then, decreases heat build-up and, in turn, means lawns and gardens need less water because less of it will evaporate.

Bergeron acknowledged that he has seen these cooling effects, but he remained skeptical about its impact on water. "I don't think a single roof with asphalt containing reflective granules will do much," he said.

Which raises an assumption within the study that Peter Gleick, president of the Oakland-based Pacific Institute that focuses on developing water conservation policies, noted in an email. “What (the scientists) are saying is that if ‘cool’ roofs are implemented widely ... then there will be a reduction in temperature in urban areas,” Gleick said.

To him and Hoiska, that seems plausible. “Put 25 buildings that have these roofs together, and yeah, you absolutely would expect to have that sort of impact,” Hoiska said.

Jones and Vahmani were also not surprised by the overall result of decreased water consumption, which they expected from the study’s outset. “What was surprising was the significant amount of water being saved,” Vahmani said. “Our study gives cities another reason to consider widespread implementation of ‘cool’ roofs,” especially after California’s record-breaking drought and the growing threat of warmer climate, both of which have added pressure on engineers to find new ways to conserve water and were the impetus for the study in the first place.

“In the wake of this recent drought in California and the first mandatory urban water consumption reduction that was imposed, we thought that it was important to look at new measures to reduce water consumption in urban areas,” Vahmani said.

But is coating or replacing your normal roof with a “cool” one, which Bergeson says for a residential owner may cost anywhere from \$6,000 to \$15,000, really the best way to save water?

Alone, maybe not. “I’d say one of the technical challenges of actually seeing these water-saving benefits is that you also need smart irrigation behavior,” Jones said.

The greatest benefits come when you combine “cool” roofs and good watering behavior, he explained. “Cool” roofs will decrease the amount of heat regardless of its water benefits, and smart irrigation practices will always save water.

“Cool” roofs may not be the overall remedy to the state’s water problems, but they offer a potential strategy for a field that needs many new and different ideas.