



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, August 8, 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.

August 8, 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 July 11, 2018 regular LAFCO meeting

OUT OF AGENCY SERVICE REQUESTS

6. ***LAFCO 18-10 – City of Concord – Bailey Road / Myrtle Drive*** – consider a request by the City of Concord to provide municipal wastewater service outside its jurisdictional boundary to a 3.8± acre parcel (APN 116-070-007) located at the southwest corner of Bailey Road and Myrtle Drive in unincorporated Concord to serve a proposed 7-lot subdivision; and consider related actions under the California Environmental Quality Act (CEQA)

CHANGES OF ORGANIZATION/REORGANIZATIONS

7. ***LAFCO 18-06 – Chang Property Reorganization – Annexations to City of San Ramon, Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD)*** – consider approving the annexation of 66.92± acres (APNs 208-240-039/038/009) to the City of San Ramon, CCCSD and EBMUD and corresponding detachment from County Service Area P-6. The area is located at the intersection of Bollinger Canyon Road and Crow Canyon Road. The Commission will also consider related actions under CEQA ***Public Hearing***
8. ***LAFCO 18-08 - Dissolution of Rollingwood Wilart Park Recreation & Park District (RWPRPD)*** - consider approving a LAFCO initiated proposal to dissolve the RWPRPD located in unincorporated San Pablo; and consider related actions under CEQA ***Public Hearing***
9. ***LAFCO 18-09 - Dissolution of Reclamation District (RD) 2121*** – consider approving LAFCO initiated dissolution of RD 2121 (Bixler Tract) located in east Contra Costa County as it is an inactive district; and consider related actions under CEQA ***Public Hearing***

BUSINESS ITEMS

10. ***“City Services” MSR/SOI Update*** – receive update and provide direction to LAFCO staff

CORRESPONDENCE

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

INFORMATIONAL ITEMS

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

ADJOURNMENT

Next regular LAFCO meeting September 12, 2018 at 1:30 pm

LAFCO STAFF REPORTS AVAILABLE AT http://www.contracostalafco.org/meeting_archive.htm

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

July 11, 2018

Board of Supervisors Chambers
Martinez, CA

August 8, 2018
Agenda Item 5

1. Chair Mike McGill called the meeting to order at 1:30 p.m. and the Pledge of Allegiance was recited.
2. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Alternate Diane Burgis.

Special District Members Mike McGill and Igor Skaredoff and Alternate Stan Caldwell.

City Members Rob Schroder and Don Tatzin.

Public Members Don Blubaugh and Alternate Charles Lewis.

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

3. Approval of the Agenda

Upon motion of Tatzin, second by Blubaugh, Commissioners approved the agenda unanimously, 7-0.

AYES: Andersen, Blubaugh, Burgis (A), McGill, Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M)

ABSTAIN: none

4. Public Comments

There were no public comments.

5. Approval of June 13, 2018 Meeting Minutes

Upon motion of Tatzin, second by Andersen, the June 13, 2018 meeting minutes were approved by a unanimous vote of 7-0.

AYES: Andersen, Blubaugh, Burgis (A), McGill, Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M)

ABSTAIN: none

6. LAFCO 17-09 – West County Wastewater District (WCWD) Annexation 317 (Sunborne Nursery)

The Executive Officer provided brief background on this request to annex two parcels located at 2206 Central Street in unincorporated North Richmond to provide municipal wastewater service for a new 72,000 sq. ft. greenhouse and an existing caretaker's unit, and noting that the annexation will fill in an island.

Chair McGill opened the public hearing. There were no speakers, so the Chair closed the hearing.

Upon motion of Blubaugh, second by Tatzin, Commissioners unanimously, by a 7-0 vote, certified that it reviewed and considered the information contained in the CEQA documents; approved the proposal known as West County Wastewater District Annexation 317 (Sunborne Nursery), 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, Blubaugh, Burgis (A), McGill, Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M)

ABSTAIN: none

DRAFT

7. LAFCO 18-01 – West County Wastewater District (WCWD) Annexation 318

The Executive Officer provided brief background on this proposal to annex one parcel, located at 5917 Hillside Drive in unincorporated El Sobrante, to WCWD. The property is currently vacant; the landowner plans to build one single family residential unit.

Chair McGill opened the public hearing. There were no speakers, so the Chair closed the hearing.

Upon motion of Blubaugh, second by Burgis, Commissioners unanimously, by a 7-0 vote, determined that the project is exempt pursuant to CEQA Guidelines Section 15303(a); approved the proposal known as West County Wastewater District Annexation 318, 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, Blubaugh, Burgis (A), McGill, Schroder, Skaredoff ,Tatzin
NOES: none
ABSENT: Glover (M)
ABSTAIN: none

8. LAFCO 18-05 – Chang Property – Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) Sphere of Influence (SOI) Amendments

The Executive Officer provided brief background on this proposal to expand the SOIs of CCCSD and EBMUD by approximately 67± acres, including two parcels and one partial parcel. The subject area is located at the intersection of Bollinger Canyon Road and Crow Canyon Road. The landowner has also submitted a corresponding application to annex the same area to the City of San Ramon, CCCSD and EBMUD, which is currently pending. In order to process the SOI and boundary change applications, Contra Costa LAFCO requested and received approved from Alameda LAFCO, as Alameda County is the principal county for EBMUD.

The purpose of the SOI proposal is to allow for the eventual annexation and extension of municipal services to the Chang Property Development Project on a 60.56± acre portion of the 195± acre parcel. The development will include 43 single-family large lot homes, 18 accessory dwelling units, a tot lot, neighborhood park, trail connections, and other amenities. The remaining 131± acres of the Chang parcel will remain outside the proposal area and be permanently preserved for continued open space, agricultural and scenic uses.

Commissioner Tatzin asked if, when the related reorganization proposal comes to the Commissioners, there will be an agricultural impact analysis. Staff assured him that that impacts to ag land will be discussed in the staff report.

Commissioner Tatzin also observed that two adjacent areas seem to be outside of the EBMUD/CCCSD SOIs: 1) A portion of Crow Canyon Road south of the area to be annexed (not in either SOI); and 2) a sliver south of that road that is in EBMUD's SOI but not CCCSD's.

Russ Leavitt, representing CCCSD, responded that CCCSD has no need to annex either of these areas; there is an embankment along Crow Canyon Road that will never need wastewater service, and the strip south of that is a creek that will also never need wastewater service. Commissioner Tatzin noted that he is not suggesting that this be addressed at this time, but that it should be looked at for possible future action.

Further discussion ensued regarding the acreage being preserved as permanent open space; the dedication of a public access trail easement to the East Bay Regional Park District (EBRPD) for a potential future trail; and that the parcels owned by Mast and Panetta are not part of the acreage set aside for open space.

The Chair asked Staff if a motion could be made to include the Crow Canyon Road area, currently not included, in the EBMUD and CCCSD SOIs. Legal Counsel Anderson suggested that there would be an option of continuing the matter.

Staff noted that as the areas in question were not included as part of the public hearing notice, the matter would have to be continued if Commissioners wished to include them in this action.

Commissioner Lewis asked if he missed a condition in the resolution about the open space easement; Staff responded that the SOI resolution is not recorded; however, if the Commission approves the reorganization, that resolution will include a condition relating to the permanent easement, and that the LAFCO resolution approving the reorganization will not be recorded until the easement has been recorded.

Commissioner Andersen noted that the Crow Canyon Road area is in fact landscaped, so there is water there from somewhere.

Chair McGill opened the public hearing.

David Bowlby, representing applicant Chang, stated that this has been a long journey already, and if the Commissioners are going to try to add the Crow Canyon Road area, he would ask that LAFCO move as quickly as possible.

Commissioner Tatzin asked Mr. Bowlby how a continuance on this decision would affect the project. Staff noted as well that this Commission has a policy to not consider SOI actions and reorganizations in the same meeting.

Nadia Costa, representing applicant Chang, noted that such a continuance would potentially delay their project by some months. They would also likely need to do an addendum to the CEQA document, which would create a further delay.

Further discussion ensued regarding waiving the Commission's policy and/or conditioning approval of the reorganization upon receipt of another application to annex Crow Canyon Road to EBMUD and CCCSD.

Cindy Yee, City of San Ramon, confirmed that Crow Canyon Road is in the City of San Ramon all the way to the County boundary.

Chair McGill closed the public hearing.

Commissioners and Staff discussed options available and the ramifications of continuing this action; acting on this proposal and waiving LAFCO policy in the next meeting when the reorganization is brought forward in order to address changes in the SOIs as discussed; conditioning approval of the reorganization on another application being brought forward to annex the utilities to the Crow Canyon Road area and the small area south of Crow Canyon Road; or directing Staff to work with all parties to the application to determine the feasibility of including these areas to this current set of proposals.

Upon motion of Blubaugh, second by Schroder, the Commissioners, by a 7-0 unanimous vote, approved the proposed expansion of EBMUD's and CCCSD's SOIs, determined that EBRPD's CEQA document is acceptable for LAFCO's use, and directed Staff to work with the City and districts to look into the feasibility of a) adding these areas to this current proposal or b) asking the agencies to return at a later date with a new set of proposals for the areas.

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

9. Response to Contra Costa Grand Jury Report No. 1802

The Executive Officer presented a draft response to Contra Costa Grand Jury Report No. 1802, received in April and titled "*Los Medanos Community Healthcare District*," which recommends that LAFCO consider dissolving Los Medanos Community Healthcare District (LMCHD). LAFCO staff has drafted responses to the five findings and one recommendation required of LAFCO.

Commissioner Andersen noted that the County Board of Supervisors took action on July 10 amending the County's November 2017 application to LAFCO requesting dissolution of LMCHD and outlining an expanded grant program to benefit the residents of the area served by the District.

Chair McGill stated that this is not a public hearing, but Commissioners will hear comments from the public.

Dr. J. Vern Cromartie, LMCHD Board President, reported that the Grand Jury report does not reflect changes made by LMCHD: 1) reduction of administrative costs to 25% from the 2017-18 budget to the 2018-19 budget; 2) revisions/updates to the District's health profile, which previously had relied heavily on the County's 2010 indicators report; and 3) LMCHD's major initiatives and related grant programs. He encouraged Commissioners to approve LAFCO's response as written.

Craig D. Collins, CPA for LMCHD, commented on the financial steps the District has taken in response to the LAFCO MSR and the Grand Jury report. Its 2018-19 budget has actually reduced administrative costs to 24.32%, based on a reduction in staffing, travel, equipment, and other services. Mr. Collins also commented on the District's cash assets and interest earnings.

Commissioner Skaredoff asked when the reduced budget would be in effect; Mr. Collins answered that it went into effect on July 1, 2018.

Gary Bell, Colantuono, Highsmith & Whatley, attorney for LMCHD, noted disconnects between the Grand Jury's findings and the facts of what LMCHD has been doing: 1) updates on both the website and data and measurable outcomes on programs were in progress when the Grand Jury wrote its report, and all items can now be found on the website; 2) regarding measuring outcomes, the District requires two reports from grant recipients with detailed information; 3) the District, contrary to the Grand Jury's report, collaborates with the County as well as with other County Health divisions.

Upon motion of Tatzin, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, approved LAFCO's response to Grand Jury Report No. 1802 as written, and directed staff to forward the response prior to July 25, 2018.

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

10. Response to Contra Costa Grand Jury Report No. 1808

The Executive Officer presented a draft response to Contra Costa Grand Jury Report No. 1808, received on June 7 and titled "*Joint Powers Authorities*," which focuses on financial type JPAs and includes a number of findings relating to oversight, transparency and financial accountability as summarized in the staff report. LAFCO staff has drafted responses to one finding and one recommendation as required.

Upon motion of Tatzin, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, approved LAFCO's response to Grand Jury Report No. 1808 as written, and directed staff to forward the response prior to September 11, 2018.

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

11. Correspondence from CCCERA

There were no comments on this item.

12. Commissioner Comments and Announcements

Commissioner Tatzin announced that he has made the decision to not run again for his seat on the Lafayette City Council, so his last official LAFCO meeting will be November 14, 2018.

Commissioner McGill reported that he attended a meeting of the CALAFCO Ad Hoc Finance Committee on July 9 and will have another of those meetings on August 3. He also will attend the CALAFCO Board meeting by phone on July 20. Also, he has signed Contra Costa LAFCO's nomination for his seat on the CALAFCO Board.

13. Staff Announcements

The Executive Officer reported that the CALAFCO omnibus bill was signed by Governor Brown. Also, the guest speaker for the July 16 meeting of Contra Costa Special Districts Association will be State Senator Steve Glazer who authored SB 522 - West Contra Costa Healthcare District bill.

The meeting adjourned at 2:30 p.m.

Final Minutes Approved by the Commission August 8, 2018.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 8, 2018 (Agenda)

August 8, 2018
Agenda Item 6

LAFCO 18-10 City of Concord - Out of Agency Service Request (Bailey Road/Myrtle Drive)

SYNOPSIS

This is a request by the City of Concord to provide municipal wastewater service outside its jurisdictional boundary to one parcel located at the southwest corner of Bailey Road and Myrtle Drive unincorporated Concord. The parcel (APN 116-070-007) is 3.8± acres (see Attachment 1). The lot is currently vacant. The proposed land use is construction of seven single family homes (Laurel Place II). The County's General Plan designation for the parcel is Single Family Residential – Low Density. The property owner has applied to the County for two entitlements: a rezone from R-20 Single Family Residential (20,000 sq. ft. minimum lot size) to R-15 Single Family Residential (15,000 sq. ft. minimum lot size); and a vesting tentative map. In September 2017, the County approved the rezoning and tentative map. The applicant is currently working with the County to fulfil the conditions of approval and complete the final map and improvement plans. The developer anticipates obtaining a grading permit in late summer and initiating site work by the end of September 2018.

The City of Concord has rezoned the property RR-20 (Rural Residential – 20,000 sq. ft. minimum). The subject parcel is located within the City of Concord's sphere of influence (SOI) and within the City's Urban Limit Line. Residential development surrounds the project site to the west, south, and southeast, with undeveloped land associated with Concord Naval Weapons Station to the north and northeast.

DISCUSSION

Statutory Framework - The Government Code and local LAFCO policies regulate the extension of out of agency service. Government Code §56133 states that “a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission.” 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.

LAFCO's Policy - The Commission's current policies regarding out of agency service 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.

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 one new single family residence.

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.*

See #5 below.

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

The previous LAFCO MSR's recommended annexing properties that are receiving, or will require, City wastewater service, as appropriate.

5) *Form of Request*

Request 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.

Given the subject property is contiguous to the City boundary, annexation of this property is possible. The developer's preference is to annex the property to the City of Concord following completion of sale and occupancy of the units, in approximately 12-18 months. The same developer went through a similar process with LAFCO on a development adjacent to the subject parcel. While annexation is generally preferred, it should be noted that annexation of the subject parcel will create an island.

Analysis – As noted in the 2014 and 2008 *LAFCO Water/Wastewater Municipal Service Reviews (MSRs)*, the City of Concord includes the Ayers Ranch area within its ultimate sewer service boundary. The Ayers Ranch area is a 183-acre unincorporated island within Concord's SOI. The City has historically extended sewer service to this area. More recently, and pursuant to State law, the City has requested LAFCO's approval to provide out of agency service. Some parcels in this area are experiencing issues with septic systems, including failure, and have requested municipal sewer service from the City on an individual basis. While a significant portion of the island is developed, there are a number of vacant and under-developed properties in the area that will need municipal sewer service, including the subject property.

LAFCO has placed the Ayers Ranch area within the City's SOI, signifying that the City is the logical, long-term service provider for this unincorporated island; and the MSR's recommend annexation of this area to the City of Concord. Annexation of the Ayers Ranch island, along with those unincorporated areas being served extra-territorially by the City, remains an important issue to resolve. In September 2015, the Concord City Council took an affirmative step and adopted Resolution No. 15-59 establishing a non-binding strategy to annex Ayers Ranch by the year 2030. This signals the City's intent to annex the area in the future.

Out of Agency Service Request by City of Concord – The City requests to provide out of agency sewer service to property located at southwest corner of Bailey Road and Myrtle Drive unincorporated Concord. The parcel (APN 116-070-007) is currently vacant. The property owner has approval from the County to build an additional seven single family homes. The law permits LAFCO to authorize the City to extend

services outside its jurisdictional boundary either in response to an existing or impending threat to the public health or safety, or in anticipation of an annexation. This request by the City to provide sewer service to the subject property is in anticipation of annexation, as the property is contiguous to the City boundary.

The infrastructure needed to serve the proposed subdivision includes a main extension (15-inch diameter), 744 feet of pipe, and seven lateral lines (4-inch diameter minimum). The project is estimated to generate approximately 195 gallons of wastewater per day per unit. The property owner is responsible for the capital costs; future operations and maintenance costs will be the responsibility of the individual homeowners.

Environmental Review – Contra Costa County, as Lead Agency, prepared and certified an Initial Study/Mitigated Negative Declaration (MND) in conjunction with the proposed subdivision pursuant to the California Environmental Quality Act (CEQA), which is adequate for LAFCO purposes (available through the LAFCO office). The MND identified a number of potentially significant effects (i.e., Air Quality, Biology, Geology and Noise). Mitigation measures were adopted which reduced all impacts to a less than significant level; therefore, there are no significant and unavoidable impacts.

The MND noted that sewer service to the project area will be provided by the City of Concord. The City indicates it is able and willing to service the project area. Should LAFCO approve the out of agency service, the property owner must then implement the required mitigations for the project, including LAFCO's approval for out of agency sewer service, prior to the County issuance of the building permit.

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 or disapprove with or without amendment, wholly, partially, or conditionally, 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 conditioned the following, including submittal of an annexation application.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Initial Study/Mitigated Negative Declaration prepared and certified by Contra Costa County.
- B. Authorize the City of Concord to extend sewer service outside its jurisdictional boundary to the 3.8± acre parcel (APN 116-070-007) located at the southwest corner of Bailey Road and Myrtle Drive in the Ayers Ranch area in unincorporated Contra Costa County subject to the following terms and conditions:
 - 1. Sewer infrastructure and service is limited to the proposed seven single family residential units, and
 - 2. The City of Concord has delivered to LAFCO an executed and recorded deferred annexation agreement, and
 - 3. The City of Concord 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.
 - 4. A commitment from the developer to submit to LAFCO an application to annex the subject parcel to the City of Concord, along with the applicable annexation fees, by August 7, 2019.

Option 2 **Approve** the out of agency service request with the following terms and conditions.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Mitigated Negative Declaration prepared and certified by the County.
- B. Authorize the City of Concord to extend sewer service outside its jurisdictional boundary to the 3.8± acre parcel (APN 116-070-007) located at the southwest corner of Bailey Road and Myrtle Drive in the Ayers Ranch area in unincorporated Contra Costa County subject to the following terms and conditions:
 - 1. Sewer infrastructure and service is limited to the proposed seven single family residential units, and
 - 2. The City of Concord has delivered to LAFCO an executed and recorded deferred annexation agreement, and
 - 3. The City of Concord 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 3 **Deny** the request, thereby prohibiting the City of Concord from providing sewer service to the subject property.

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

RECOMMENDATION

Option 1

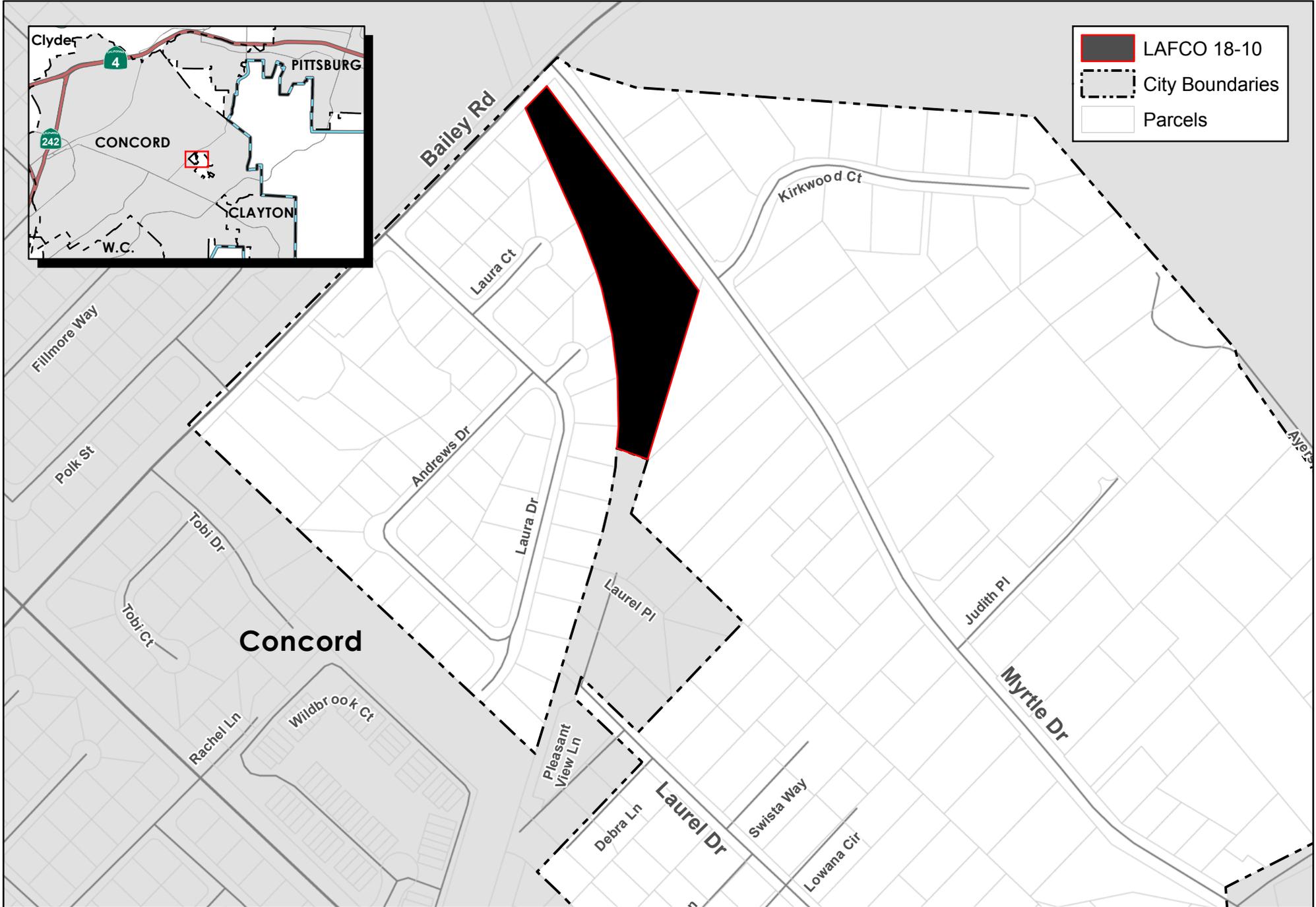
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

Attachments

- 1. Map of Property (APN 116-070-007)
- 2. LAFCO Resolution 18-10

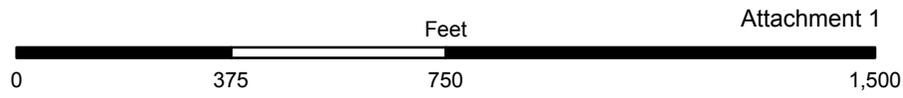
c: Distribution

LAFCO 18-10 City of Concord Out of Agency Service Request (Laurel Place II)



Map created 7/17/2018
 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.



**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE CITY OF CONCORD TO PROVIDE OUT-OF-AGENCY SEWER SERVICE
TO APN 116-070-007 (BAILEY ROAD / MYRTLE DRIVE)**

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 wastewater services to the property in anticipation of a future annexation; and

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

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

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Initial Study/Mitigated Negative Declaration prepared and certified by Contra Costa County.
- B. Authorize the City of Concord to extend wastewater service outside its jurisdictional boundary to APN 116-070-007, located at the southwest corner of Bailey Road and Myrtle Drive in unincorporated Contra Costa County subject to the following terms and conditions:
 - 1. Wastewater infrastructure and service is limited to a 7-lot single residential subdivision on the parcel,
 - 2. The City of Concord 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 Concord 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, and
 - 4. Wastewater service is conditioned on a commitment from the developer to submit to LAFCO an application to annex the subject parcel to the City of Concord, along with the applicable annexation fees, by August 7, 2019.
- C. Approval to extend City of Concord services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED AS REVISED THIS 8th day of August 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: August 8, 2018

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 8 18, 2017 (Agenda)

August 8, 2018
Agenda Item 7

LAFCO 18-06 Chang Property Reorganization: Annexations to the City of San Ramon, Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) and Corresponding Detachment from County Service Area (CSA) P-6

PROPONENT Vicky Chang, Landowner

SYNOPSIS The applicant proposes to annex 66.92± acres (APNs 208-240-039/038/009) to the City of San Ramon, CCCSD and EBMUD, and a corresponding detachment from CSA P-6. The subject area includes a 60.56± acre portion of the Chang property (195± acres), plus two other parcels: Mast property (0.44± acres) and Panetta property (2.5± acres). The area is located at the intersection of Crow Canyon Road and Bollinger Canyon Road in the unincorporated San Ramon area - see attached map (Exhibits A1-A3).

The purpose of the proposal is to allow for the extension of municipal city, wastewater and water services to facilitate the development of 43 single-family large lot homes and 18 accessory dwelling units on the Chang property, which is consistent with the City of San Ramon's Northwest Specific Plan (NWSP). The Mast property is developed with one single family residence and related structures; and the Panetta property contains structures consistent with the current agricultural uses on the property. The Mast and Panetta properties are included in the application to avoid the creation of islands. No anticipated changes in land use on the Mast and Panetta properties will result from the proposed boundary changes.

On June 26, 2018, the San Ramon City Council adopted Resolution No. 2018-079 in support of the proposed SOI amendments and corresponding annexations to the City of San Ramon, CCCSD and EBMUD.

BACKGROUND

The proposal comprises a portion of the Chang property, plus two other parcels (Mast and Panetta). The Chang property consists of open space utilized for agriculture and rangeland. The Mast property is developed with one single family residence and related structures; the Panetta property contains structures consistent with the current agricultural uses on the property. The purpose of the proposed boundary changes is to facilitate development of the Chang property. The proposed development includes 43 single-family large lot homes, 18 accessory dwelling units, a tot lot, neighborhood park, and trail connections, along with landscaping, utilities and street improvements. Surrounding land uses include open space and agricultural uses to the north and west, multi- and single-family residential to the east, and single-family to the south.

The remainder of the Chang property (131± acres) remains outside the proposal area as unincorporated land with open space, agricultural and scenic uses. A total of 177± acres will be preserved for these uses, 134± of which will be subject to a perpetual open space easement, in conjunction with this project.

In March 2018, the landowner submitted applications to Contra Costa LAFCO to amend the SOIs of CCCSD and EBMUD and annex the subject area to the City of San Ramon, CCCSD and EBMUD. Included with the application was a request that Alameda LAFCO transfer jurisdiction to Contra Costa LAFCO to process these applications, as Alameda is designated the principal county for LAFCO proceedings [i.e., the county having the greatest portion of the assessed value, as shown on the last equalized assessment roll, of all taxable property within the district - Government Code (CG) §56066]. Contra Costa LAFCO submitted a request to Alameda LAFCO for transfer of jurisdiction, which Alameda LAFCO approved on March 8, 2018.

DISCUSSION

Government Code §56668 sets forth factors that the Commission must consider in evaluating a proposed boundary change as discussed below. In the Commission's review, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence (SOI) of Any Local Agency:

The area proposed for annexation is within the SOI of the City of San Ramon, and now within the SOIs of CCCSD and EBMUD as approved by the Commission on July 11, 2018. The subject area is within the City of San Ramon's voter approved Urban Growth Boundary (UGB), and within the Contra Costa County Urban Limit (ULL). The remainder of the Chang parcel (131± acres), which is not proposed for annexation, is outside the UGB and ULL.

2. Land Use, Planning and Zoning - Present and Future:

The reorganization proposal includes a portion of the Chang parcel and two other parcels (Mast and Panetta). The Chang property is utilized for agriculture and rangeland (i.e., grazing). The Mast property includes one residential unit and other structures, and the Panetta property also includes various structures associated with the current agricultural uses.

The County and City General Plan (GP) and zoning designations for the subject parcels are shown in the table below:

Property	County GP	County Zoning	City GP	City Zoning
Chang	Agricultural Land (AL)	A-4 (Agricultural Preserve – parcel 40 acre minimum)	Hillside/Residential/Parks/Open Space	Hillside/Residential/Parks/Open Space
Mast	AL	A-2 (General Agricultural – parcel 5 acre minimum)	Open Space	Open Space
Panetta	AL	A-2	Parks	Parks

The proposed boundary reorganization will facilitate development of the Chang property to include 43 single-family large lot homes, 18 accessory dwelling units, tot lot, and other facilities. There is no development proposed for the Mast and Panetta properties in conjunction with this proposal.

In accordance with the CKH, no subsequent change may be made to the general plan or zoning for the subject area that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the Commission [GC §56375(e)].

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands and Open Space Lands:

As noted above, the project site and surrounding areas are active grazing land, but are not under a Williamson Act Land contract. There are lands under Williamson Act contract approximately one mile northwest of the site and one mile to the south. Based on the applicant's assessment, the site does not meet LAFCO's definition of "prime agricultural land" (GC §56064), but does qualify as "agricultural" land" (GC §56016) due to active grazing on the property.

The proposed land uses will impact the agricultural land. Although no mitigation measures were included in the environmental documents for the project, the landowner has agreed to preserve 177±

acres as permanent open space. In addition, the project includes dedication of a public access trail easement to the East Bay Regional Park District (EBRPD) for a potential future trail.

4. Topography, Natural Features and Drainage Basins:

The 195± acre site contains steep slopes in the western portion of the site, with more level ground in the eastern portion where the development is proposed. One major and two minor ridgelines extend into the project site from the northwest. Several landslide deposits were identified across the site, as well as relatively thick deposits of colluvium, both of which could be subject to slope instability. The City's environmental document notes that existing slope stability issues could be addressed with conceptual corrective grading. Elevations range from 580± feet (along Bollinger Canyon Creek at the eastern end of the site) to 1,250± feet (in the site's northwest corner). The City has included mitigation measures to address the slope issues.

Bollinger Creek extends along the eastern frontage of the project site, flowing in a southerly direction, supporting oak woodlands and riparian habitats. There also are two minor drainages that carry storm water from the upper hills along the central and the westerly portions of the project site, draining to the east and southeast and connecting with Bollinger Creek.

Surrounding land uses include single-family and rural residential and undeveloped land to the east; undeveloped land to the west; rural residential and undeveloped land to the north; and single-family residential and office development to the south.

5. Population:

Development of up to 43 single-family residential units and 18 accessory dwelling units is planned for the annexation area. The estimated population increase for the annexation area is approximately 162 based on the U.S. Census Bureau data for the City of San Ramon.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Regional housing needs are determined by the State Department of Housing and Community Development; and the councils of government throughout the State allocate to each jurisdiction a "fair share" of the regional housing needs (GC §65584).

In Contra Costa County, ABAG determines each city's fair share of regional housing needs. Each jurisdiction is required, in turn, to incorporate its fair share of the regional housing needs into the housing element of its General Plan. In July 2013, ABAG adopted the 2014-2022 Regional Housing Needs Allocation (RHNA) Plan for the San Francisco Bay Area. The RHNA Plan includes the following allocations for the City of San Ramon: total RHNA is calculated at 1,417 units, including 340 above moderate, 282 moderate, 279 low and 516 very low income units.

The proposed annexation includes 43 single family residential and 18 accessory dwelling units. The accessory dwelling units will contribute to meeting the very low, low to moderate income share of housing units allocated to the City of San Ramon by ABAG, while the 43 single family residential units will contribute to meeting the City's overall share of housing.

7. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

Whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall also submit a plan for providing services within the affected territory (Gov. Code §56653). The plan for services is available in the LAFCO office. The plan shall include all of the following information and any additional information required by the Commission or the Executive Officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The annexation area is currently served by various local agencies including, but not limited to, Contra Costa County and the San Ramon Valley Fire Protection District (SRVFPD). The proposal before the Commission includes annexations to the City of San Ramon, CCCSD and EBMUD for the provision of municipal services, including water and sanitary sewer services. Municipal services are needed to support future development in the area. The level and range of services is expected to be comparable to those services currently provided within the City. As part of the proposal, the City and County will rely on the master tax sharing agreement.

Following annexation, the City of San Ramon will provide a range of municipal services to subject territory, including drainage, streets and roads, police, parks & recreation, street lighting, and other services. Fire service will continue to be provided by the SFVFPD.

Drainage Services – Existing storm drainage facilities in the vicinity of the project area consist of a City-owned storm drain line within Bollinger Canyon Road. The City indicates there are no deficiencies with this line. The City's Plan for Service notes that the project will have two storm drain systems and will be self-contained with appropriate infrastructure (i.e., bioretention facilities, inlets, pipes, drainage ditches, catch basins, etc.). The developer of the Chang Subdivision will be required to fund the design, construction and connections fees associated with the on-site storm drainage infrastructure. The Chang project's Geologic Hazard Abatement District (GHAD) and its Homeowners Association (HOA) will be responsible for the system maintenance, to the extent the infrastructure remains private and is not dedicated to the City.

Streets and Roads – Principal roadways in the vicinity of the project area include Bollinger Canyon Road and Crow Canyon Road. Bollinger Canyon Road is an east-west arterial roadway that provides access for the City of San Ramon between the Dougherty Valley area in the east and the Las Trampas Regional Wilderness in the west. Crow Canyon Road is a southwest-northeast arterial roadway that connects Castro Valley and Danville.

The 16± acres of land within the Chang property to be developed are generally located at the north-west corner of the intersection of Bollinger Canyon Road and Crow Canyon Road just outside of the City of San Ramon's city limits. These lands would be accessed via the proposed entry roadway/main access off Bollinger Canyon Road. The proposed entry to the Chang project will be located midway between Deerwood Drive and the future Faria Preserve Parkway on the western side of Bollinger Canyon Road. As proposed, an internal road will be constructed to provide access to the residences.

In conjunction with the Chang project, frontage improvements will be installed along Bollinger Canyon Road that include turn lanes, curb, gutter, sidewalk, and Class II bicycle lanes.

The Chang project is expected to generate a net average of 529 trips per day, including 41 trips during the a.m. peak hour and 54 trips during the p.m. peak hour. Trips by trail and neighborhood park users from the surrounding area were assumed in the overall trip generation, although these trips are not likely to occur during the a.m. or p.m. peak periods. The City's traffic impact analysis concludes that traffic generated from the Chang project would not exceed the City's established level of service standards.

The developer of the Chang Subdivision project is required to fund the design and construction of the on-site private roadway network to serve the Chang project in accordance with the applicable conditions

of approval and the City's requirements and standards. The Chang project's HOA would be responsible for maintenance of the on-site roadways, to the extent this infrastructure remains private, and not dedicated to the City.

The developer will finance the design and construction of the street improvements to Bollinger Canyon Road and will offer to dedicate them to the City of San Ramon, at which time, the City would assume responsibility for maintenance of these improvements.

Police Services – Law enforcement services are currently provided to subject area by the Contra Costa County Sheriff's Office. Upon annexation, police services will be provided by the City of San Ramon, and the area will be detached from the County police services district (CSA P-6).

The San Ramon Police Department (SRPD) operates from its headquarters located at 2401 Crow Canyon Road, approximately 0.5 miles from the project site. The SRPD employs 66 sworn officers who serve a community of more than 78,350 residents spanning an area of over 18.5 square miles. This represents a ratio of 0.84 officers per 1,000 residents, which exceed the adopted standard of 0.8.

In March 2015, the SRPD expanded to a "6 beat" system. This allows the department to add an additional officer to each patrol team and minimize some of the larger beats, depending on the city's needs, time of day and staffing levels. The primary benefit is additional staffing on patrol and reducing overall response times within the city.

The City reports that as of 2012, the average response time for routine calls was under 11 minutes, and the median response time for emergency calls (Code 3, with lights and sirens) was approximately 4:25 minutes, which is within the adopted response time standard of 3 to 5 minutes for priority calls.

During calendar year 2017, the city averaged 1,412 calls per month; and the total number of violent crimes per 1,000 residents was 0.71.

Development of the Chang property will result in an increase in calls for service. Residential development on the site was envisioned in the City's General Plan and in the NWSP, with environmental impacts analyzed in associated CEQA documents, including the Chang Project Initial Study/Mitigated Negative Declaration. Impacts with respect to police services were found to be less than significant.

The City indicates that given the Chang project is consistent with the City's General Plan and NWSP, no additional police personnel, equipment, or facilities are needed to serve the Chang project. The addition of approximately 160 new residents within the project area is not anticipated to adversely affect the City's adopted standards for staffing or priority call response times.

The developer of the Chang project will be required to pay applicable police protection-related development fees at the issuance of building permits. While the City does not have a police development fee, development is required to offset impact to services through participation in a Community Facilities District or similar financing mechanism.

Parks & Recreation – The City of San Ramon Parks & Community Services Department maintains 52 park sites totaling 356.4 acres. Of the 52 sites, 35 are dedicated community parks, neighborhood parks, or specialized recreational areas or facilities, and the remaining 17 are school parks.

The City's current standard for functional public parkland is 6.5 acres per 1,000 residents, 4.5 acres per 1,000 residents for neighborhood and school parks, and 2 acres per 1,000 residents for community parks and specialized recreation areas. According to the General Plan, the City plans to expand parkland to accommodate for the projected growth of 96,000 residents by 2035, providing 655.8 acres of parkland at buildout. The parkland ratio at buildout of the General Plan is expected to be 7.12 acres per 1,000 residents, which would exceed the City's current standards.

The nearest existing park to the project site is Mill Creek Hollow, roughly 0.5 mile east of the proposal area. The NWSP provides for the creation of a community park in the adjacent Faria parcel, in addition to a 2-acre neighborhood park within the Chang project area.

The Chang project includes a private tot lot to serve residents, and an offer to dedicate and construct a 2-acre neighborhood passive park and recreational uses to serve the Chang project area and the broader community. The Chang project will also preserve 177± acres of the total Chang property as open space and related nonurban uses. Further, the Chang Project is offering to dedicate a public access trail easement to the EBRPD for a potential future trail.

The City's Plan for Service notes that given the relatively small size, coupled with the park and recreational amenities the Chang project will provide, the project is not expected to negatively impact existing neighborhood and regional parks or other recreational facilities. Moreover, the Chang project will contribute to the City's expanded parkland pursuant to the General Plan and NWSP.

In addition to park and open space amenities, the City operates a comprehensive recreation and community services program including aquatics, trails and open space, performing arts, community events, classes for all ages (preschool to seniors), sports and fitness, art and culture, along with volunteer opportunities.

The developer of the Chang project is required to fund the design and construction of the neighborhood park, and to offer to dedicate the park to the City of San Ramon, pursuant to the conditions of approval. The developer is also required to pay park and recreation related development fees at the issuance of building permits to the extent that fee credits associated with the park dedication do not eliminate the obligation.

Street Lighting – The City's Public Services Division maintains City parks, roadway medians and other open space. The City's Landscape and Lighting District provides maintenance and electrical service to landscaped areas in 17 zones and over 3,800 streetlights throughout the City.

The Chang project includes construction of internal roads and will create a new intersection at Bollinger Canyon Road. New lighting will be installed by the developer and maintained by the Chang project's HOA along the internal roads and in accordance with Landscape and Lighting District standards. To the extent lighting improvements are installed in any roadways/medians that are dedicated to the City, the City will be responsible for maintenance of these improvements.

The developer will be required to fund the design and construction of on-site street lights within the project site in accordance with the City's conditions of approval, requirements and standards. The Chang project's HOA will be responsible for maintenance of the private streetlights.

The developer is also required to fund the design and construction of off-site streetlights along Bollinger Canyon Road. The Chang project could either create a new Landscape and Lighting District or annex into an existing one to fund operation and maintenance of the off-site streetlights in accordance with the conditions of approval.

Other Services – The City of San Ramon provides a multitude of other services, including administration (finance, human resources, information technology), economic development, building & safety, landscaping and trees, library, garbage/recycling, and other services.

Fire Protection – Fire and emergency medical services are, and will continue to be, provided by SRVFPD following annexation. The SRVFPD's boundary area is 155± square miles, and encompasses the City of San Ramon, Town of Danville, the unincorporated communities of Alamo, Blackhawk and Diablo, along with Morgan Territory and the Tassajara Valley.

The SRVFPD provides medical emergency response; fire prevention and suppression; hazardous materials service; heavy rescue; and related services fire and emergency services. The District operates 10 fire stations, four of which are in San Ramon as shown in the table below:

SRVFPD Fire Stations - San Ramon

Station No.	Address	Station Condition	Distance to Project Site	Staff
30	11445 Windemere Pkwy	Excellent	9.8 miles	Captain (1), Engineer (1), Firefighter/Paramedic (1), Training Captain, Safety Officer
34	12599 Alcosta Blvd	Good	3.1 miles	Captain (2), Engineer (2), Firefighter/Paramedic (2)
38	1600 Bollinger Canyon Rd	Good	0.2 mile	Captain (1), Engineer (1), Firefighter/Paramedic (1)
39	9399 Fircrest Lane	Good	6.6 miles	Captain (1), Engineer (1), Firefighter (3), Paramedic (2)

Source: 2016 Contra Costa LAFCO Municipal Service Review

The fire station closest to the Chang project area is Station No. 38, which is less than 0.2 mile from the project site. The District's goal is a response time of 5 minutes 95% percent of the time. The estimated travel time from Station No. 38 to the subject areas is approximately 45 seconds, which is within the National Fire Protection Association response time guideline of 5 to 6 minutes 90 percent of the time. The City concludes that the Chang project will not negatively impact fire services in the area, or require new or expanded facilities.

The Chang project provides several means of ingress and egress, including a primary access road and an emergency vehicle access road, with an intersection at Crow Canyon Road located approximately 1,700 feet west of the Bollinger Canyon Road/Crow Canyon Road intersection.

The project area is located in a high fire hazard severity zone, pursuant to the California Department of Forestry and Fire Protection (CalFire). The City indicates that the Chang project area will have a network of water mains, fire hydrants, and water laterals to service the proposed residential lots and related improvements, all of which would be consistent with applicable code requirements and other standards. It is anticipated that the Chang project area will be served through a main extension to the new Faria Pressure Zone located within the adjacent property within the NWSP area. The proposed residential units will be equipped with fire sprinklers and must comply with the applicable fire safety regulations.

The developer is required to pay applicable fire related plan review and inspection fees for the project. Additionally, homeowners within the project area may be required to pay assessments to the SRVFPD. Also, the developer is required to fund the design and construction of the on-site fire hydrants in accordance with the conditions of approval and consistent with the applicable requirements and standards of the SRVFPD; this will occur as part of the development. The fire hydrants will be the property of EBMUD; the SRVFPD will have jurisdictional use of the hydrants. The Chang project's HOA will be responsible for maintenance of any private fire hydrants.

Sewer Services – The proposal includes annexation to CCCSD for the provision of wastewater services. CCCSD currently serves an estimated population of 484,200 residents in a 145 square mile service area. CCCSD's wastewater collection system consists of 1,500 miles of sewer mains with 19 pump stations. The majority of CCCSD's system operates with gravity flow with some pumping stations and force mains. All sewer connections to the subject property will be either gravity flow or individual residential pump systems. Wastewater is conveyed to CCCSD's wastewater treatment plant in Martinez. CCCSD's

wastewater treatment plant provides secondary level treatment for an average dry weather flow of approximately 35.6 million gallons per day (mgd) of wastewater. The wastewater treatment plant has a design capacity of 54 mgd.

Based on the proposed development of 43 single-family residential units, 18 accessory dwelling units, and related amenities and improvements in the subject area, the estimated demand for sewer service is approximately 9,810 gallons of wastewater per day. This volume equates to an increase of approximately 0.1 mgd. The Plan for Service indicates that a backbone sewer system will be installed consisting of 2- to 8-inch diameter mains (gravity and pressure) and 4-inch diameter service laterals. The Chang project will connect to an existing 8-inch diameter CCCSD sewer line within Bollinger Canyon Road.

The developer is required to fund the design and construction of the on-site wastewater infrastructure and pay connection fees in conjunction with the Chang project. The Chang project HOA will be responsible for maintenance of the on-site wastewater infrastructure, to the extent this infrastructure remains private. However, CCCSD staff expects the public mainline sewer to be dedicated to CCCSD for maintenance, repair, replacement, etc. The private laterals can be owned/maintained by individual property owners or the HOA. CCCSD has infrastructure in the area and serves surrounding properties. CCCSD has the capacity to serve the project.

8. **Timely Availability of Water and Related Issues:**

Pursuant to the CKH, LAFCO must consider the timely and available supply of water in conjunction with a boundary change proposal. Contra Costa LAFCO policies state that any proposal for a change of organization that includes the provision of water service shall include information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The proposal includes annexation to EBMUD for the provision of water services. EBMUD provides potable water services and limited wastewater collection and treatment services in portions of the District's service area. The EBMUD service area is approximately 332 square miles (Contra Costa and Alameda counties). EBMUD provides potable water to approximately 1.4 million people within the two-county service area. Within Contra Costa County, EBMUD provides water service to a 146± square mile service area, serving an estimated 477,212 residents.

EBMUD's water supply is distributed through a collection system consisting of aqueducts, reservoirs, and other components. The primary source of water for EBMUD is the Mokelumne River; this watershed accounts for 90 percent of EBMUD's water supply. EBMUD's existing water rights allow the delivery of up to 325 mgd or approximately 364,046 acre-feet per year of water from the Mokelumne River.

EBMUD's water rights are subject to variability, particularly during dry and multiple dry years. The availability of the Mokelumne River runoff is subject to senior water rights of other users, downstream fishery flow requirements, and other Mokelumne River water uses. Given the variability, EBMUD indicates that supplemental water supply sources are needed to meet future water demand during extended periods of drought.

The Freeport Regional Water Facility is a regional water supply project that provides supplemental water supply to EBMUD during dry years, as part of the Central Valley Project (CVP), a federal water management program. During periods of drought, EBMUD receives CVP water from its Freeport Regional Water Facility to augment its water supply. The U.S. Bureau of Reclamation (USBR) provides supplemental water supply during dry and multiple dry years to ensure the reliability of EBMUD's water supply. In conjunction with the request to annex the property, EBMUD must seek approval from the USBR for inclusion. Furthermore, the District may be required to obtain approval to update the District's Place-in-Use with the California Water Resources Control Board (SWRCB). To initiate the review and

approval process with the USBR and SWRCB, the developer must enter into a reimbursement with EBMUD to reimburse the District all fees levied by these agencies.

Based on the proposed development of 43 single-family residential units, 18 accessory dwelling units, and related improvements in the subject area, the estimated demand for service is approximately 43 acre-feet of water per year. This water demand was accounted for in EBMUD's demand forecast, as projected in the District's 2015 Urban Water Management Plan (UWMP). Also, water conservation measures are included with the Chang project. The project will include a network of water mains, fire hydrants, and water laterals to serve the proposed development. The project will be served by a looped water distribution system consisting of pressurized mains and laterals, and will connect to the EBMUD system at the new Faria Pressure Zone. The water distribution system is under construction and timing of water service is contingent upon the completion of the Faria development and water distribution pipelines in Faria Parkway by the developer, in addition to the Faria facilities by EBMUD. The cost for water supply, water main extensions, and system capacity charges (connection fees) will be borne by the project sponsor. Ongoing maintenance will be paid for through water rates collected by EBMUD. As noted in their will serve letter, EBMUD has the capacity to serve the project.

The developer is required to fund the design and construction of the on-site water infrastructure and pay connection fees in conjunction with the Chang project. The Chang project HOA will be responsible for maintenance and operation of all private water systems beyond EBMUD's service meter.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within tax rate area 66081. The assessed value for the annexation area is \$3,801,189 (2017-18 roll). The territory being annexed shall be liable for all authorized or existing taxes and bonded debt comparable to properties presently within the annexing agencies.

The City and the County have agreed to use the Master Property Tax Transfer Agreement for the proposed reorganization.

10. Environmental Impact of the Proposal:

In 2017, the City of San Ramon, as Lead Agency, prepared and approved an Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) in conjunction with the Chang Property Project. The City also approved a Vesting Tentative Map for the project. The environmental factors potentially affected by this project include Aesthetics, Biological Resources, Cultural Resources, Hazards/Hazardous Materials, Hydrology/Water Quality, and Noise. The MMRP address these factors and reduces the impacts to less than significant.

11. Landowner Consent and Consent by Annexing Agency:

According to County Elections, there are fewer than 12 registered voters in the area proposed for annexation; thus, the area proposed for annexation is considered uninhabited. The City indicates that two of the three property owners have consented to the annexation. The third property owner – Mr. Panetta – objects to being annexed to the City (see attached letter – Exhibit B). Consequently, a protest hearing will be required. All landowners and registered voters within the proposal area and within 300 feet of the exterior boundaries of the area were sent notice of the LAFCO hearing.

12. Boundaries and Lines of Assessment:

The annexation area is within the SOIs of the City of San Ramon, and now within the SOIs of CCCSD and EBMUD, following the Commission's approval of the SOI amendments in July 2018. A corresponding detachment from CSA P-6 of the same area is also proposed. Maps and legal descriptions to implement the proposed boundary changes have been received and are subject to final approval by the County Surveyor.

In considering the proposed CCCSD and EBMUD SOI amendments at the July 11th LAFCO meeting, the Commission discussed two adjacent areas that were not included in the SOI or annexation proposals. Exclusion of these areas would result in islands/pockets within the districts' SOIs/boundaries. One area includes a 4.4± acre portion of Crow Canyon Road south of the subject area which is not in either the SOIs or boundaries of EBMUD or CCCSD; the other area is a sliver south of Crow Canyon Road and east of Pradera Way that is in EBMUD's SOI/boundary but not CCCSD's SOI/boundary.

In response to Commissioner questions, CCCSD staff noted that there is no need to annex either of these areas to CCCSD as there is an embankment along Crow Canyon Road, and the strip south of that is a creek, neither of which will require wastewater service.

Regarding water services, there was discussion regarding the Crow Canyon Road area, and that there is a landscaped median which likely receives water. Following the July 11th LAFCO meeting, LAFCO staff has confirmed that the landscape median is irrigated and that the median and irrigation were installed in conjunction with the Thomas Ranch Subdivision over 15 years ago. Further, there is an EBMUD water meter within the City's public right of way located just north of the homes on Pradera Way provided by EBMUD to serve the Thomas Ranch Subdivision. Subsequently, water is being brought to the median through irrigation pipes that run south to north from the meter across Crow Canyon Road to provide irrigation to the median landscaping. The water meter serves both the median as well as the landscaping south of Crow Canyon Road.

Also at the July 11th LAFCO meeting, there was discussion as to whether LAFCO could add these areas to the SOI proposal; however, given these areas were not included in the public hearing notice, and possible questions regarding environmental impacts, it was recommended that the Commission not add these to the proposal at this time. The Commission was given the option to continue the matter to a future meeting; however, the Commission voted to amend the SOIs as proposed. Other options discussed include submission of a separate application either by petition (i.e., affected landowner/voter) or by an affected local agency (EBMUD, City of San Ramon), or to continue to exclude these areas from this proposal. The Commission can condition its approval on submission of a separate application to include one or both of these areas as presented in Option 2 below.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals for changes of organization or reorganization will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

14. Disadvantaged Communities:

In accordance with State legislation, local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/ amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County's Department of Conservation and Development, the annexation area does not meet the criteria of a DUC.

15. Comments from Affected Agencies/Other Interested Parties:

As of this writing, no comments were received from other affected agencies or parties.

16. **Regional Transportation and Regional Growth Plans:**

In its review of a proposal, LAFCO shall consider a regional transportation plan adopted pursuant to Gov. Code §65080 [Gov. Code §56668(g)]. Further, the commission may consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis (Gov. Code §56668.5). Regarding these sections, LAFCO looks at consistency of the proposal with the regional transportation and other regional plans affecting the Bay Area.

SB 375, a landmark law, requires California's regions to adopt plans and policies to reduce greenhouse gases (GHG), primarily from transportation. To implement SB 375, in July 2013, ABAG and the Metropolitan Transportation Commission (MTC) adopted Plan Bay Area as the "Regional Transportation Plan and Sustainable Communities Strategy" for the San Francisco Bay Area through 2040. Plan Bay Area focuses on where the region is expected to grow and how development patterns and the transportation network can work together to reduce GHG emissions. The Plan's key goals are to reduce GHG emissions by specified amounts; and to plan sufficient housing for the region's projected population over the next 25 years.

In July 2017, ABAG and MTC adopted Plan Bay Area 2040, which updates the 2013 Plan Bay Area and reaffirms the goals and targets identified in the earlier version. Plan Bay Area establishes "Priority Conservation Areas" (PCAs) and "Priority Development Areas" (PDAs), and focuses growth and development in nearly 200 PDAs. The area proposed for annexation is not within a PCA or a PDA. However, the project includes elements recommended in *Plan Bay Area* such as trail connections and a mix of housing types.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following actions:

Option 1 Approve the reorganization as proposed.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the City of San Ramon's Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program in conjunction with the Chang Property Project.
- B. Adopt this report, approve LAFCO Resolution No. 18-06 (Exhibit C), and approve the proposal, to be known as the Chang Property Reorganization: Annexations to the City of San Ramon, Central Contra Costa Sanitary District, and East Bay Municipal Utility District, and Detachment from County Service Area P-6 subject to the following terms and conditions:
 1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agencies.
 2. The landowner applicant has delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
 3. Water service is conditional upon EBMUD receiving acceptance for inclusion of the annexed areas from the USBR, pursuant to the requirements in EBMUD's contract with USBR for supplemental water supply from the CVP.
 4. The recordation of LAFCO's Certificate of Completion is conditioned on the owner(s) of the Chang property providing LAFCO with a certified copy of a recorded grant of

open space easement from the Chang property owner(s) to the City of San Ramon that prohibits urban development and permanently preserves the existing open space and agricultural uses on 134± acres (Parcel G on the project's Vesting Tentative Map 9458) that is outside of the urban growth boundary and designated for open space and agricultural uses. This easement shall remain in effect in perpetuity, and shall be consistent with the conditions of approval imposed on the Chang property by the project's Vesting Tentative Map 9485 by the City of San Ramon.

- C. Find that the subject territory is uninhabited, and that absent any protest from an affected landowner or registered voter, the Commission approves the reorganization and waives the protest hearing.

Option 2

Approve the reorganization conditioned on a supplemental application being submitted.

- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the City of San Ramon's Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program in conjunction with the Chang Property Project.
- B. Adopt this report, approve LAFCO Resolution No. 18-06, and approve the proposal, to be known as the Chang Property Reorganization: Annexations to the City of San Ramon, Central Contra Costa Sanitary District, and East Bay Municipal Utility District, and Detachment from County Service Area P-6 subject to the following terms and conditions:
1. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agencies.
 2. The landowner applicant has delivered an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
 3. Water service is conditional upon EBMUD receiving acceptance for inclusion of the annexed areas from the USBR, pursuant to the requirements in EBMUD's contract with USBR for supplemental water supply from the CVP.
 4. The recordation of LAFCO's Certificate of Completion is conditioned on the owner(s) of the Chang property providing LAFCO with a certified copy of a recorded grant of open space easement from the Chang property owner(s) to the City of San Ramon that prohibits urban development and permanently preserves the existing open space and agricultural uses on 134± acres (Parcel G on the project's Vesting Tentative Map 9458) that is outside of the urban growth boundary and designated for open space and agricultural uses. This easement shall remain in effect in perpetuity, and shall be consistent with the conditions of approval imposed on the Chang property by the project's Vesting Tentative Map 9485 by the City of San Ramon.
 5. The recordation of LAFCO's Certificate of Completion is conditioned on receipt of an application to expand the SOIs and service boundaries of CCCSD and EBMUD to include a 4.4± acre portion of Crow Canyon Road located south of the subject area; and to expand the SOI and service boundary of CCCSD to include a sliver of land located south of Crow Canyon Road and east of Pradera Way.

Find that the subject territory is uninhabited, and that absent any protest from an affected landowner or registered voter, the Commission approves the reorganization and waives the protest hearing.

Option 3 Accept this report and DENY the proposal.

Option 4 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Approve Option 1.

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

Exhibits

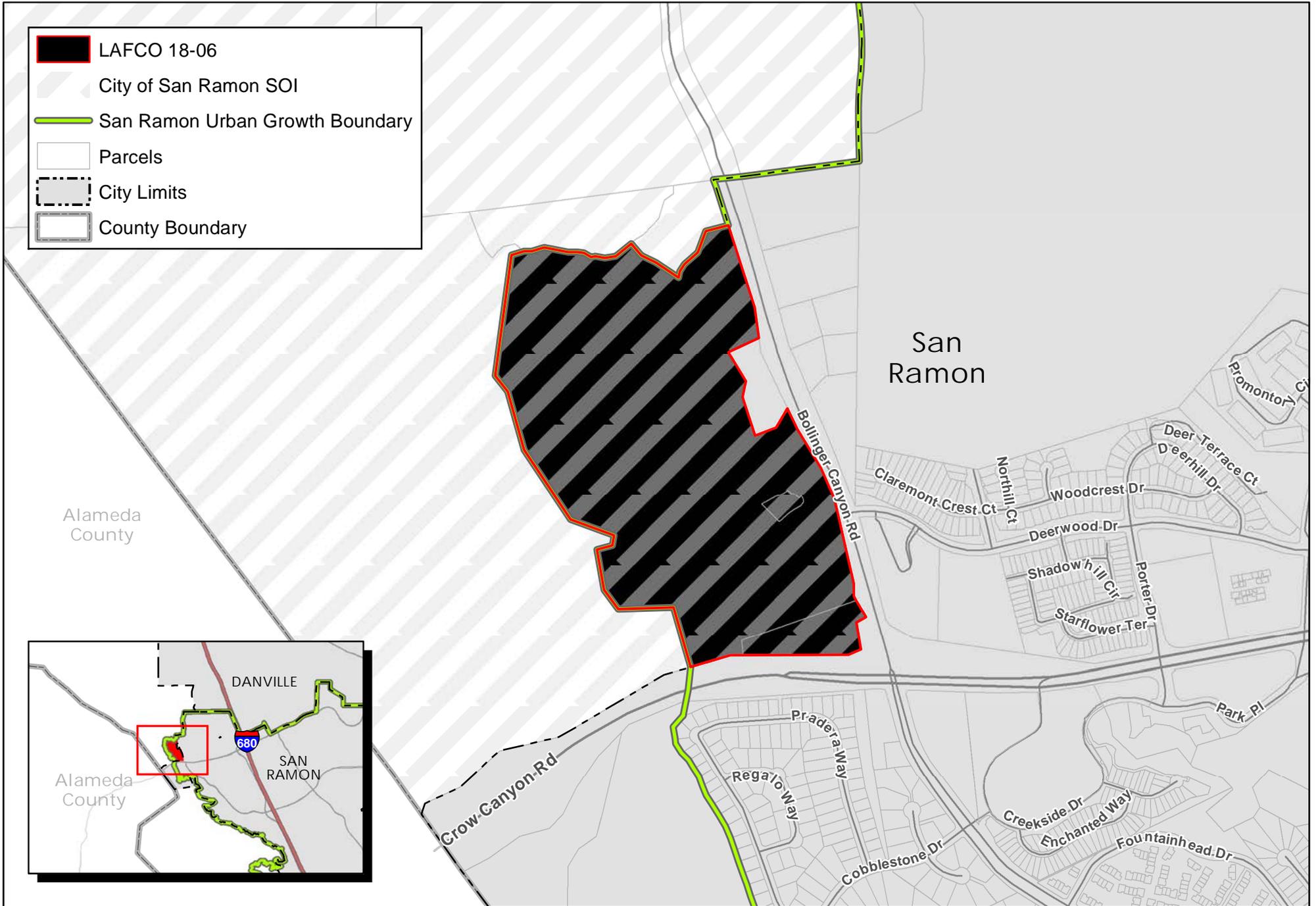
A – Chang Property Reorganization Maps – Exhibits A1-A3

B – Letter from Mr. Panetta

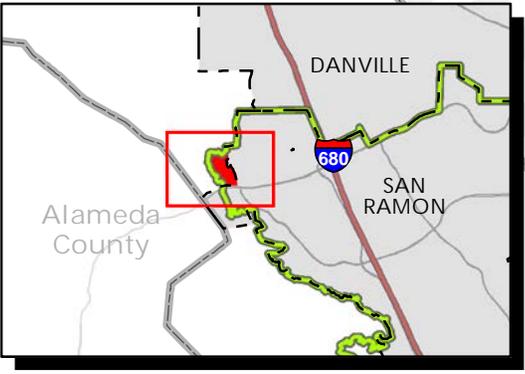
C - Draft LAFCO Resolution 18-06

c: Vicky Chang, Landowner
Cindy Yee, City of San Ramon
Russell Leavitt, CCCSD
Andrew Lee, EBMUD
David Bowlby, The Bowlby Group, Inc.
Nadia Costa, Miller Starr Regalia

LAFCO 18-06 Chang Property Reorganization: Annexation to City of San Ramon; Detachment from CSA P-6



-  LAFCO 18-06
-  City of San Ramon SOI
-  San Ramon Urban Growth Boundary
-  Parcels
-  City Limits
-  County Boundary



Map created 06/11/2018
 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.

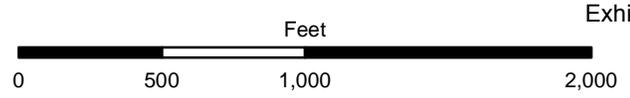
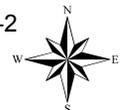
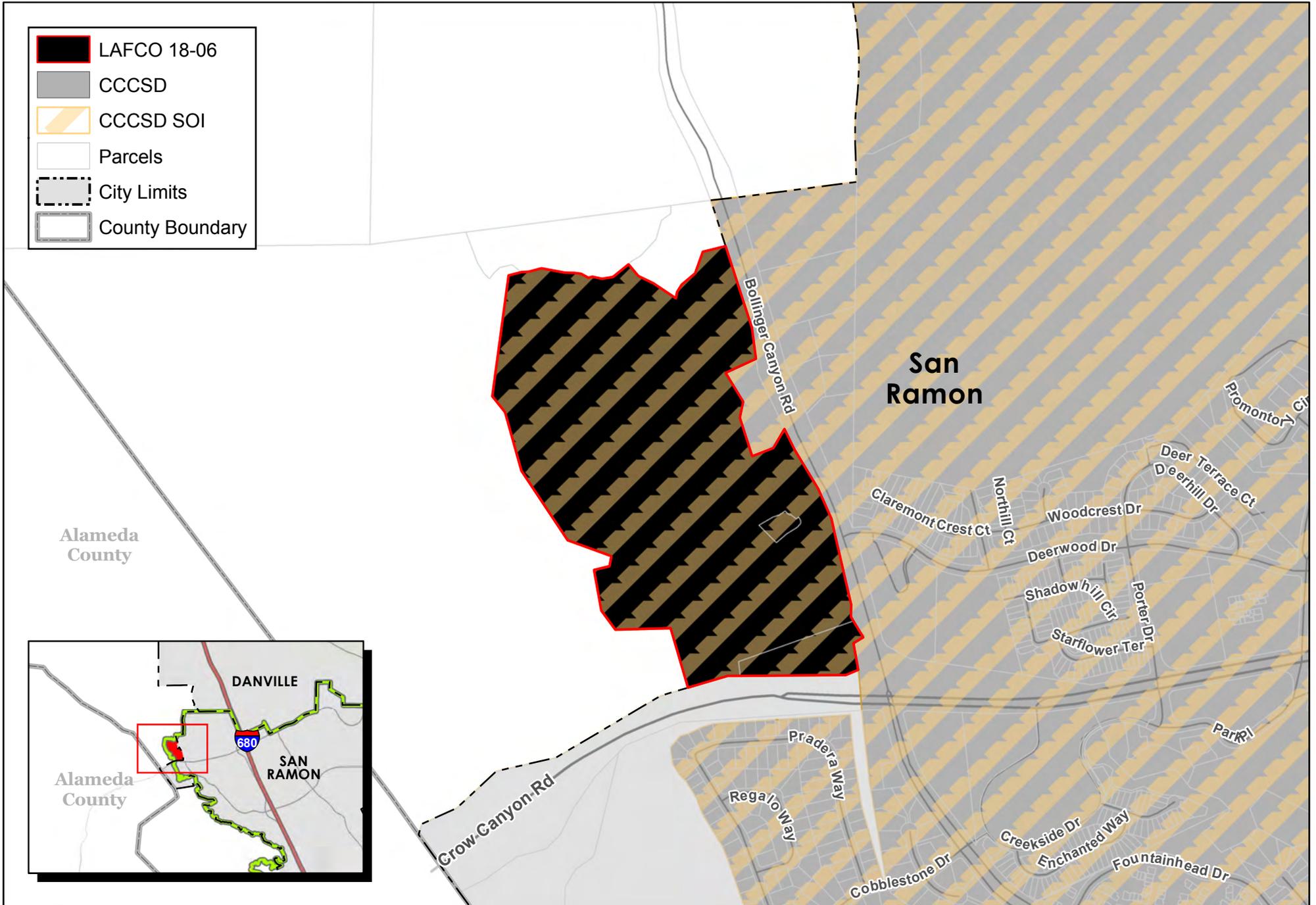
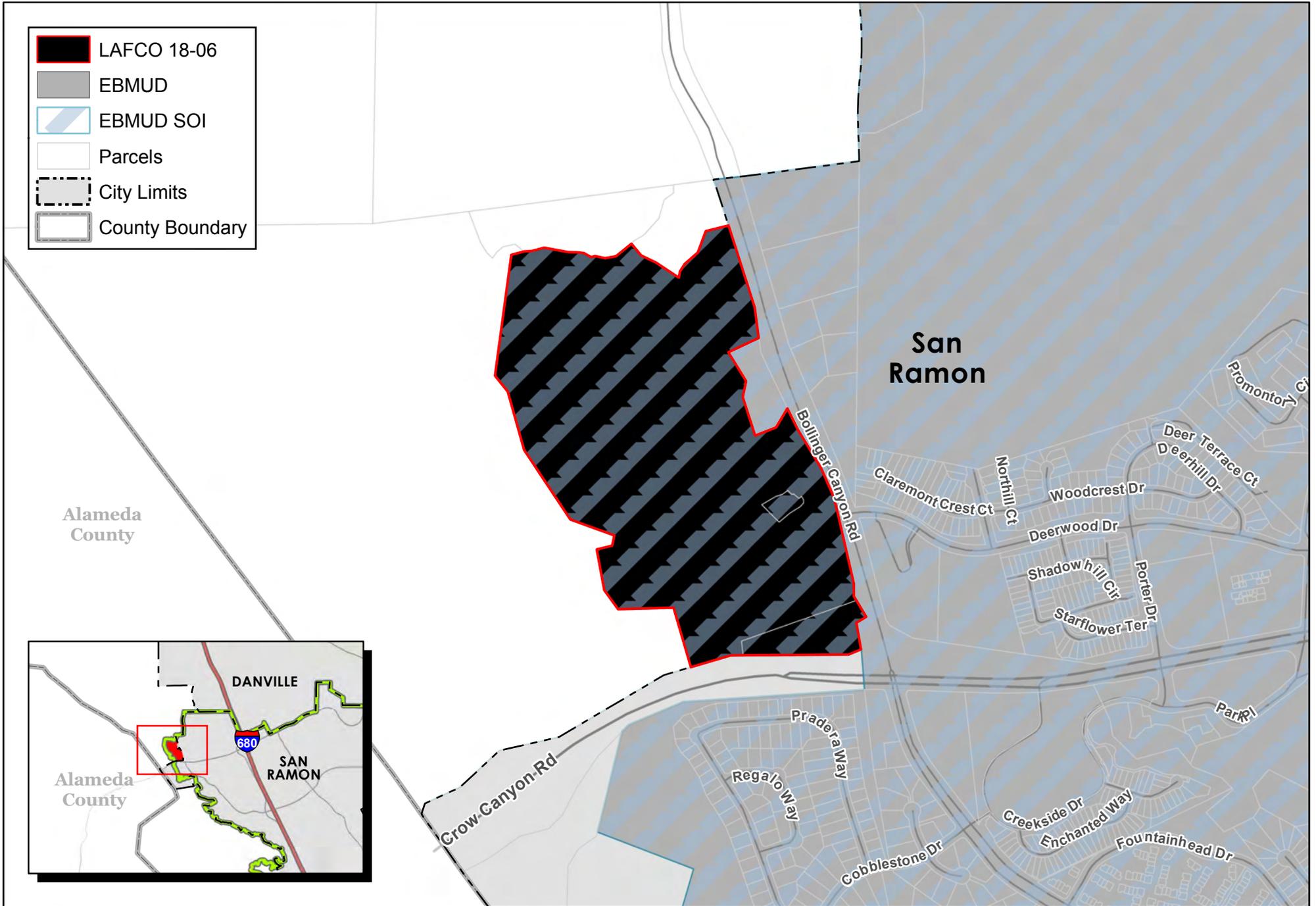


Exhibit A-1

LAFCO 18-06 Chang Property Reorganization: Annexation to Central Contra Costa Sanitary District (CCCSD)



LAFCO 18-06 Chang Property Reorganization: Annexation to East Bay Municipal Utility District (EBMUD)





San Ramon Concrete

License #761564

July 30, 2018

Via email: ltexe@lafco.cccounty.us

Lou Ann Texeira
Executive Officer
Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553

Re: LAFCO 18-06 – Chang Property Reorganization
Annexations to City of San Ramon
Meeting Date: Wednesday, August 8, 2018 at 1:30 p.m.

Dear Ms. Texeira,

My family is in receipt of the Notice of Public Hearing, Contra Costa Local Agency Formation Commission concerning the Annexation regarding the above caption matter.

My family and I are the owners of the property which is located at 18897 Bollinger Canyon Road, San Ramon, CA. Our property is schedule to be part of the annexation and we are **firmly opposed** to having our property to be included as part of the above listed Annexation.

Should this go forth, our family will take legal action. Furthermore, no one has asked if we wanted to be part of this annexation.

Very truly yours,

Joseph Panetta

Joseph Panetta

JP/vrs

Dictated and not wet signed to avoid delay

RESOLUTION NO. 18-06

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
CHANG PROPERTY REORGANIZATION: ANNEXATIONS TO THE CITY OF SAN RAMON,
CENTRAL CONTRA COSTA SANITARY DISTRICT AND EAST BAY MUNICIPAL UTILITY
DISTRICT, AND DETACHMENT FROM COUNTY SERVICE AREA P-6**

WHEREAS, the Chang Property Reorganization proposal was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.); and

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the Chang Property Reorganization proposal; and

WHEREAS, the Commission held a public hearing on August 8, 2018, on the Chang Property Reorganization proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to this proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental documents and determinations, Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, no subsequent change may be made to the general plan or zoning for the annexed territory that is not in conformance to the rezoning designations for a period of two years after the completion of the annexations, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the Commission [Government Code §56375(e)];

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the City of San Ramon's Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program in conjunction with the Chang Property Project.
2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:

**CHANG PROPERTY REORGANIZATION: ANNEXATIONS TO CITY OF SAN RAMON,
CENTRAL CONTRA COSTA SANITARY DISTRICT AND EAST BAY MUNICIPAL
UTILITY DISTRICT, AND DETACHMENT FROM COUNTY SERVICE AREA P-6**
4. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibits A1-A3, attached hereto and made a part hereof.
5. Approval of the Chang Property Reorganization is subject to the following:
 - a. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.

Contra Costa LAFCO
Resolution No. 18-06

- b. The landowner applicant has delivered an executed indemnification agreement between the landowner applicant and Contra Costa LAFCO providing for the landowner applicant to indemnify LAFCO against any expenses arising from any legal actions challenging the Chang Property Reorganization.
 - c. Water service is conditioned upon the East Bay Municipal Utility District (EBMUD) receiving acceptance for inclusion of the annexed areas from the United States Bureau of Reclamation (USBR), pursuant to the requirements in EBMUD’s contract with USBR for supplemental water supply from the Central Valley Project.
 - d. The recordation of LAFCO’s Certificate of Completion is conditioned on the owner(s) of the Chang property providing LAFCO with a certified copy of a recorded grant of open space easement from the Chang property owner(s) to the City of San Ramon that prohibits urban development and permanently preserves the existing open space and agricultural uses on 134± acres (Parcel G on the project’s Vesting Tentative Map 9458) that is outside of the urban growth boundary and designated for open space and agricultural uses. This easement shall remain in effect in perpetuity, and shall be consistent with the conditions of approval imposed on the Chang property by the project’s Vesting Tentative Map 9485 by the City of San Ramon.
6. Find that the subject territory is uninhabited, and that not all affected landowners have provided written consent to the proposed boundary reorganization; thus, a protest hearing is required.
7. All subsequent proceedings in connection with the Chang Property Reorganization shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 8th day of August 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.

Dated: August 8, 2018

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 8, 2018 (Agenda)

August 8, 2018
Agenda Item 8

LAFCO 18-08 Dissolution of the Rollingwood Wilart Park Recreation & Park District

APPLICANT Contra Costa LAFCO by Resolution adopted January 10, 2018

ACREAGE &
LOCATION The Rollingwood Wilart Park Recreation & Park District (RWPRPD) is located in the unincorporated community of Rollingwood, which is east of the City of San Pablo and south of the City of Richmond as shown on the attached map (Attachment A). The District comprises 113± acres, with a population of approximately 3,000 residents (1,207 registered voters).

SYNOPSIS

The RWPRPD was formed in 1956 to operate and maintain a community center for recreation programs and events. For many years, the District has struggled; and in 2016, the District closed its doors. The District is inactive and the district owned facility - Rollingwood Recreation Center - is no longer in use.

Following discussions with the District and Contra Costa County, both the District and the County indicated their support for dissolving the RWPRPD. On January 10, 2018, LAFCO adopted a resolution initiating proceedings to dissolve the RWPRPD and name the County as successor agency. Since then, LAFCO staff has continued to work with the District and County staff on various matters (i.e., assets, liabilities, etc.).

BACKGROUND

LAFCO Municipal Service Review (MSR) - In 2010, LAFCO completed a countywide MSR covering cemetery, parks and recreation services. In conjunction with the MSR, LAFCO learned that the RWPRPD struggled for years with service, governance and administrative issues. Specifically, the District provides limited services, has no staff, and Board members are performing administrative and operational functions. Since the late 1990s, RWPRPD also experienced accountability challenges; lack of public interest and uncontested elections (one contested election in 1979); a significant decrease in facility rentals; no audited financial statements in over 10 years; and lack of capital planning documents and administrative records. The District currently functions with only three board members.

In conjunction with the 2010 MSR, LAFCO deferred the sphere of influence (SOI) update for the RWPRPD and required the District to provide periodic updates. Since 2010, the District has provided one written update and several verbal updates.

Following the LAFCO MSR, the Contra Costa County Grand Jury, in 2012, issued a report on the RWPRPD noting the District's ongoing challenges and deficiencies and recommending that LAFCO dissolve the District.

Since 2012, LAFCO and the County have continued to work with the RWPRPD. The County Treasurer-Tax Collector holds funds for the District, including property taxes; and the County Auditor maintains an account on behalf of the RWPRPD and administers payment of funds at the direction of the District. The District's primary source of revenue is property tax (in FY 2017-18 the District received about \$31,000); facility rental fees are essentially nonexistent. The District's finances are in order, and the District has no liabilities; the recreation center and land are assets of the District.

LAFCO Special Study – In February 2017, following a public review process, LAFCO completed a special study of the RWPRPD. Berkson Associates prepared the special study. The special study provides findings and a discussion of governance options as summarized below.

Major Findings - Major findings identified in the study include the following:

1. The findings of the study support dissolution of the RWPRPD given the District's ongoing challenges
2. Contra Costa County could be the successor in the event of dissolution
3. Rollingwood is within the City of San Pablo's SOI and could be annexed to the City concurrently with dissolution of the RWPRPD without the need for protest proceedings as the Rollingwood area is an island (less than 150 acres)
4. Rollingwood could be added to the City of Richmond's SOI and annexed to Richmond concurrently with dissolution of the RWPRPD

Governance Options – The study also provided a number of governance options, along with advantages, disadvantages, and the LAFCO process associated with each option. A summary of the governance options is provided below.

1. **Maintain the Status Quo** – Maintaining the status quo does **not** appear to be an option as the District has essentially ceased operations. Use of the facility has been minimal over the past several years; and the current Board has shuttered the facility.
2. **Dissolution with Appointment of Successor to Wind-up Affairs** - Dissolution eliminates the District, and its assets/liabilities would revert to a successor agency to wind up District affairs, or possibly assume services. Property tax would be redistributed to other taxing entities, unless the successor agency takes over ownership and operation of the RWPRPD facility. Contra Costa County qualifies as the successor agency, as there are no cities within the District's boundaries. The successor agency assumes a number of responsibilities as discussed in the study. The successor agency receives the assets of the district (e.g., property tax revenue, Rollingwood Recreation Center), and also assumes any liabilities; RWPRPD currently has no liabilities.
3. **Dissolution and Annexation to the City of San Pablo** – The Rollingwood area is an unincorporated “island” surrounded by the cities of San Pablo and Richmond, and is currently within the City of San Pablo's SOI. Historically, as portions of the RWPRPD service area were annexed to the City of San Pablo, they were detached from RWPRPD, thus reducing the District's size and revenues. Annexation to the City of San Pablo would eliminate the island. Following annexation, the City could extend park and recreation services to the Rollingwood community, and would receive property tax revenue to help support the extension of City services to the area. The City would also receive the Rollingwood Recreation Center, which the City could use or sell.
4. **Dissolution and Annexation to the City of Richmond** - This option would first require an amendment to Richmond's SOI to include Rollingwood, and a corresponding amendment to the City of San Pablo's SOI to remove Rollingwood. Then, LAFCO could simultaneously dissolve the District and annex the territory to the City of Richmond.
5. **Consolidation of RWPRPD with County Service Area (CSA) R-9** - CSA R-9, which is staffed by the County Public Works Department, is contiguous to RWPRPD. The CSA provides park facility operation and maintenance in the unincorporated community of El Sobrante. The 2010 Parks & Recreation MSR considered governance options that included consolidation of RWPRPD with CSA R-9. However, CSA R-9 was also determined to be a candidate for dissolution due to the finding that “CSA R-9 has no regular source of financing, lacks public interest to fill advisory committee positions, and provides minimal services at a less than adequate service level.” For these reasons, consolidation with CSA R-9 is **not** considered a viable option.

- 6. Reorganization of RWPRPD as a Subsidiary District to the City of San Pablo** – The 2010 Parks & Recreation MSR considered the option of RWPRPD as a subsidiary district to the City of San Pablo. However, establishing a subsidiary district would not be possible until at least 70% of the land area and registered voters in Rollingwood are annexed to the City. A subsidiary district would also entail additional management and accounting by the City to manage the subsidiary district. For these reasons listed above, creation of a subsidiary district is **not** considered a viable alternative.

Of the six governance options included in the special study, three are not viable; and the City of Richmond expressed no interest in annexing the Rollingwood community or taking over the RWPRPD and recreation center. The two most feasible options include 1) dissolving the RWPRPD and naming the County as successor, and 2) annexing the Rollingwood community to the City of San Pablo, whereby the City would assume services to the area, including parks and recreation. While LAFCO has authority to dissolve the RWPRPD and name a successor agency to wind up the affairs of the District, LAFCO does not have the authority to initiate an annexation.

In conjunction with LAFCO's special study, the consultant and LAFCO staff met with the San Pablo City Council's Economic Development/Project Management Standing Committee; and subsequently attended a San Pablo City Council meeting. The City acknowledged that it has a need for additional recreational facilities. City staff conducted an inspection of the Rollingwood Recreation Center and found the building to be structurally sound, restrooms in good shape, the interior including the kitchen needs rehabilitation, in need of improvements (i.e., to comply with the ADA, and to the parking lot).

On February 6, 2017, the San Pablo City Council adopted a resolution acknowledging LAFCO's special study of the RWPRPD and the governance options including dissolution of the District, and approved funding for a fiscal analysis and evaluation of the City as a potential successor agency.

In response to a request by LAFCO staff regarding the status of the City's evaluation, LAFCO received a letter from the City on November 7, 2017. The letter indicated that *on November 6, 2017, the San Pablo City Council voted to suspend its analysis and evaluation of San Pablo being a potential successor agency for the RWPRPD. As an alternative, the City is potentially interested in the asset disposition of the RWPRPD multi-purpose facility. The City indicates that annexation or acquisition of this property would be potentially beneficial to the City as a recreation use facility to supplement the City's current community services and recreation programs in the vicinity of the former RWPRPD service area due to its close proximity to San Pablo's municipal boundary. Further, the RWPRPD facility is contiguous to the City of San Pablo's municipal boundary, and is located within the City's SOI. Therefore, if feasible, the City would like to explore with LAFCO the potential annexation and acquisition of the property.*

In 2012, LAFCO identified the Rollingwood area as a small island (under 150 acres) which can be annexed to the City of San Pablo via a streamlined process (i.e., without a protest hearing). Annexation of the RWPRPD facility only is not an option identified in the special study, nor does this option further LAFCO's mission of facilitating logical and orderly service boundaries and eliminating islands. Irrespective of the dissolution of the RWPRPD, the City of San Pablo is not precluded from applying to LAFCO in the future to annex all or a portion of the Rollingwood community. Further, as successor agency, the County would have control over the Rollingwood Recreation Center and could work with the City of San Pablo regarding the potential acquisition and/or use of the recreation center.

The Commission considered all of this information in January 2018, and decided to move forward with the proposed dissolution of the RWPRPD and naming the County as successor agency.

DISCUSSION

Factors for Consideration - Government Code (GC) §56668 sets forth factors that the Commission is required to consider in evaluating any change of organization (e.g., dissolution). In the Commission's review and evaluation, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal. These factors are analyzed in Attachment B. In addition, other factors are discussed below.

Tax Rates, Assessed Value, Assets and Liabilities - The subject area includes two tax rate areas: 85089 and 85099. The assessed value for the proposal area is \$145,511,436 based on the 2017-18 roll.

The RWPRPD receives approximately \$31,000 in annual property tax revenue. Following dissolution, and upon the County becoming successor agency, the District's share of the 1% property tax will transfer to the County pursuant to GC §§57450-57463.

Regarding assets and liabilities, the District's main asset is the Rollingwood Recreation Center. Presently, the District has no liabilities.

Designation of Successor Agency and Plan for Service - The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides that should LAFCO dissolve a district, it shall identify the effective date of dissolution, designate a successor agency to wind up the affairs of the extinguished agency, and may apply other terms and conditions with its action pursuant to GC §§56885 – 56890.

If the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is deemed the successor agency pursuant to GC §57451(b). The RWPRPD is located entirely in unincorporated Contra Costa County; and the County has agreed to be the successor agency. In accordance with the CKH, should the Commission dissolve RWPRPD, the District's assets would be distributed to the County and control over all moneys or funds and property would be vested in the County for the purpose of winding up the affairs of the District.

Regarding a plan for service, the County indicates it is diligently seeking a compatible tenant for the Rollingwood Recreation Center; however, if a suitable party is not found, then the County will consider selling the site as surplus property.

Commission Proceedings – A dissolution may be initiated by LAFCO if it is consistent with a recommendation or conclusions of a study prepared pursuant to GC §§56378, 56425, or 56430, and LAFCO makes determinations specified in §56881(b). Sections 56378, 56425, and 56430 require LAFCO to study existing agencies, make determinations regarding SOIs and conduct municipal service reviews.

Section 56881(b) requires LAFCO to make both of the following determinations with regard to the proposed dissolution:

- (1) Public service costs of a proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternate means of providing the service.
- (2) A change of organization or reorganization that is authorized by the commission promotes public access and accountability for community service needs and financial resources.

Before LAFCO can dissolve a district, LAFCO must hold a public hearing on the proposed dissolution. In conjunction with today's hearing, LAFCO published a legal notice in the *Contra Costa Times* (all editions), and mailed notices to all landowners and registered voters within the subject area, as well as to all landowners and voters within 300 feet of the subject area. The CKH provides that if the number of mailed notices exceeds 1,000, LAFCO can publish a 1/8-page display ad in the newspaper in lieu of mailed notices. However, given this is a LAFCO initiated proposal, we expanded the public outreach effort to enhance transparency.

Should dissolution of the District be approved, state law requires LAFCO to conduct a protest hearing to allow landowners and voters within the district boundary an opportunity to protest the dissolution. In the case of a LAFCO initiated proposal, a protest hearing is required, and must be held within the affected territory (GC §57008). The protest hearing cannot be conducted less than 30 days after the Commission's approval of the dissolution.

The Commission has delegated authority to conduct the protest hearing to the LAFCO Executive Officer. Should the Commission approve the dissolution on August 8, 2018, LAFCO staff will conduct a noticed protest hearing in early September within the Rollingwood Wilart Park Recreation and Park District.

Environmental Impact of the Proposal - The LAFCO initiated proposal to dissolve RWPRPD and name Contra Costa County as successor agency is a jurisdictional change and has no physical effects on land use or the environment. As Lead Agency, LAFCO finds the project exempt pursuant to the California Environmental Quality Act (CEQA) pursuant to Class 20 – Changes in Government Organization (section 15320). The LAFCO Environmental Coordinator reviewed the document and finds it adequate for LAFCO purposes.

CONCLUSION

One of the fundamental goals of LAFCOs is to ensure the efficient and effective provision of municipal services in an accountable manner. The proposed dissolution will terminate a struggling and inactive district, thereby allowing the County to take over the maintenance and operations of the Rollingwood Recreation Center and resume use of the center as a community resource.

Approval of this proposal will promote more accessible, responsive, transparent governance and accountability for the utilization of the recreation center as community resource.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider approving one of the following options:

- Option 1**
1. Approve the dissolution and required findings as proposed pursuant to the following:
 - a. The affected territory is located entirely within an unincorporated area of Contra Costa County.
 - b. The reason for the proposal is to dissolve a district that is essentially inactive, has struggled for years with administration, governance and is no longer providing services.
 2. Designate Contra Costa County as successor agency to the RWPRPD.

3. Find that the project is Categorically Exempt pursuant to the California Environmental Quality Act (CEQA) Class 20 – Changes to Government Organization.
4. Find that the subject territory is inhabited, and the proposal is subject to protest proceedings to be conducted no less than 30 days following the Commission's approval of the proposal.
5. Adopt LAFCO Resolution No. 18-08A (Attachment C) approving the dissolution and setting forth the Commission's terms, conditions, findings and determinations.

Option 2 DENY the proposal to dissolve the RWPRPD.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTIONS:

Approve Option 1 to dissolve the RWPRPD and name Contra Costa County as successor agency

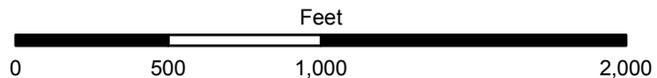
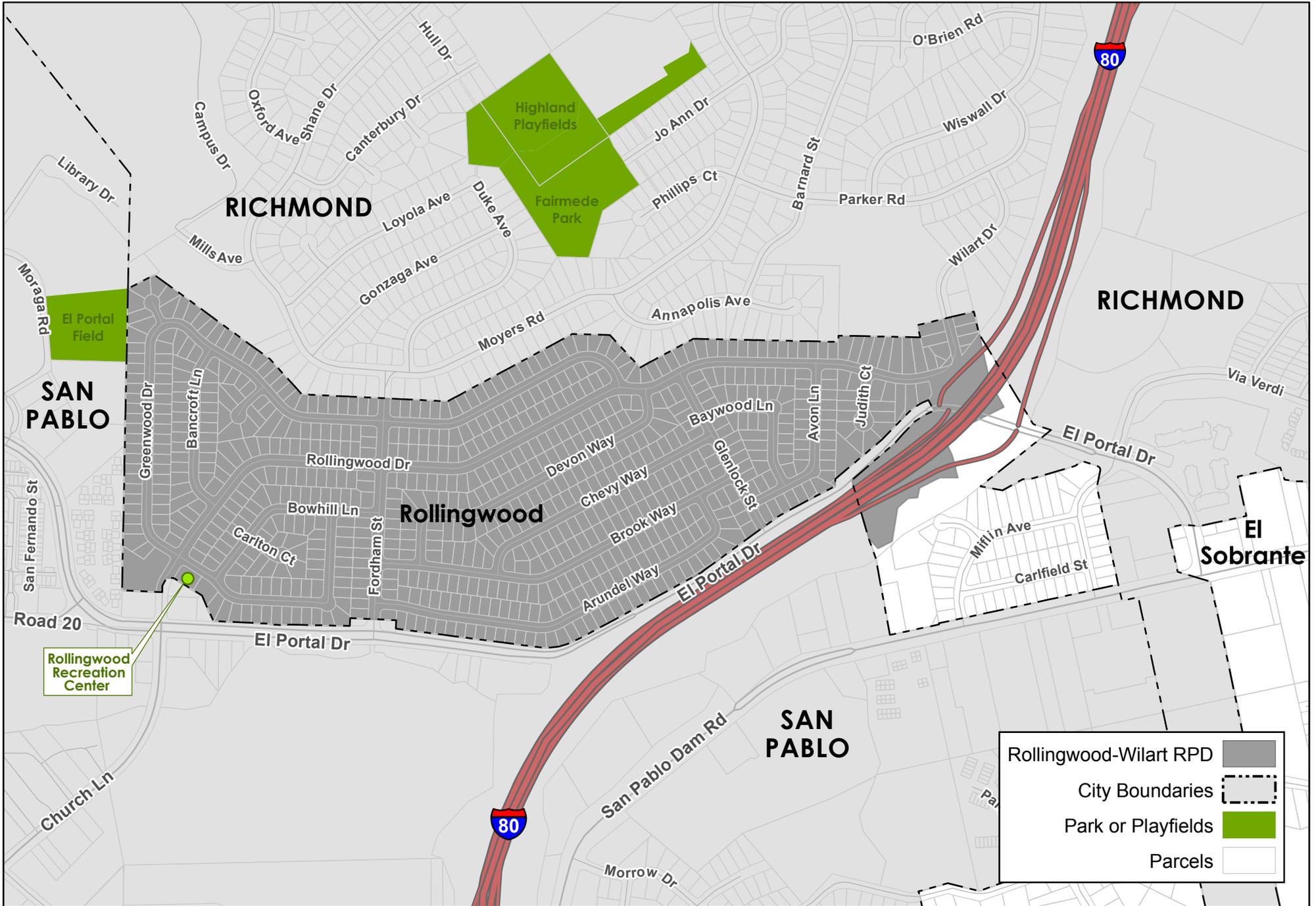
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachments:

- A. Map of RWPRPD
- B. Factors for Consideration (GC §56668)
- C. Draft LAFCO Resolution No. 18-08A

c: Distribution

LAFCO 18-08 – Rollingwood Wilart Park Recreation & Park District Dissolution



Factors for Consideration (California Government Code §56668)

FACTOR	COMMENTS
(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	The subject area is within the SOI of the City of San Pablo. The area comprises 113± acres and approximately 740 parcels. Land uses are primarily built out residential (high density) and a small section of public land. The population is approximately 3,000 (1,207 registered voters).
(b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	There is a potential need for operation of the community center, as in years past, the facility used for classes and various community events. It is unlikely that the District Board will emerge to resume operation of the community center. The County, as successor, would have such responsibility and is capable of assuming this role.
(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	It is not anticipated that dissolution of the District would affect adjacent areas or the local government structure of the County.
(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377. <i>(Note: Section 56377 encourages preservation of agricultural and open space lands)</i>	The subject area is built out residential. The dissolution would have no effect on development or on policies and priorities in Section 56377.
(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	The subject area is built out (single family residential development). The dissolution would have no effect on agricultural lands.
(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	The parcels that comprise the subject territory have specific boundary lines that are certain and identifiable.
(g) A regional transportation plan adopted pursuant to Section 65080.	N/A
(h) The proposal's consistency with city or county general and specific plans.	The dissolution will have no effect on the County General Plan.

FACTOR	COMMENTS
(i) The sphere of influence (SOI) of any local agency which may be applicable to the proposal being reviewed.	The dissolution will have no effect on the SOIs of any local agency.
(j) The comments of any affected local agency or other public agency.	As of this writing, no agency comments were received.
(k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	The RWPRPD is not currently providing any services. As successor, the County would receive the District's assets, which include the annual property tax allocation and any rental/usage fees associated with rental/use of the Rollingwood Recreation Center.
(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	N/A
(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	N/A
(n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.	In lieu of publishing a display ad in the local newspaper, which is allowed for mailed notices which exceed 1,000, LAFCO mailed individual notices to each landowner and registered voter within the District, and to each landowner and registered voter within 300 feet of the District's boundary. As of this writing, no comments were received.
(o) Any information relating to existing land use designations.	The County's General Plan designation for the area is Single Family Residential – High Density (SH) and the zoning designation is Single Family Residential – lot size 6,000 square foot minimum (R-6). No changes to the present or planned land uses will result from this change of organization.
(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	The dissolution will have no effect on environmental justice or to the fair treatment of people of all races, cultures and incomes.
56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.	Dissolution of the RWPRPD will not affect or be affected by Plan Bay Area, in that the Plan focuses on Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs); and the affected territory is neither.

RESOLUTION NO. 18-08A**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DISSOLUTION OF THE
ROLLINGWOOD WILART PARK RECREATION & PARK DISTRICT**

WHEREAS, on January 10, 2018, Contra Costa Local Agency Formation Commission (LAFCO) adopted a resolution initiating dissolution of the Rollingwood Wilart Park Recreation & Park District (RWPRPD) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, the Executive Officer has issued a certificate of filing deeming the application complete; and

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

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence and related information; and

WHEREAS, the RWPRPD is located entirely within unincorporated Contra Costa County, east of the City of San Pablo and south of the City of Richmond; and

WHEREAS, the RWPRPD comprises 113± acres, with a population of approximately 3,000 residents; and

WHEREAS, the RWPRPD was formed in 1956 to operate and maintain a community center for recreation programs and events; and

WHEREAS, in 2010, LAFCO completed a countywide Municipal Services Review covering cemetery, parks and recreation services and learned that the RWPRPD was struggling with service, governance and administrative matters; and

WHEREAS, in February 2017, the Commission completed a special study of the RWPRPD, which identified findings and governance options, including dissolution; and

WHEREAS, LAFCO determines that dissolution of the RWPRPD and naming Contra Costa County as successor agency is in the best interest of the affected area and the total organization of local governmental agencies within Contra Costa County; and

WHEREAS, Contra Costa County has agreed to be the successor agency; and

WHEREAS, the RWPRPD does not oppose the dissolution.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The subject proposal is assigned the distinctive short-form designation:

**DISSOLUTION OF THE ROLLINGWOOD WILART PARK RECREATION & PARK
DISTRICT**

2. RWPRPD is located entirely within unincorporated Contra Costa County. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment A, attached hereto and made a part hereof.
3. The proposal was initiated by LAFCO, the subject territory is inhabited, and the proposal is subject to protest proceedings.
4. Notice of the Commission’s hearing regarding this proposal was advertised in the *Contra Costa Times*, and notices were mailed to all landowners and registered voters within the subject area, as well as landowners and voters within 300 feet of the subject area and affected and interested agencies and individuals.
5. Contra Costa County shall be the successor agency of RWPRPD and all assets and liabilities of RWPRPD shall be transferred to Contra Costa County pursuant to Government Code sections 57450-57463.
6. In reviewing this proposal, the Commission has considered each of the factors required by Government Code section 56668.
7. Pursuant to Government Code section 56881(b) Contra Costa LAFCO determinations:
 - i. Public service costs of the LAFCO initiated dissolution are likely to be less than or substantially similar to the costs of alternate means of providing the service.
 - ii. The dissolution authorized by the Commission promotes public access and accountability for community service needs and financial resources.
8. The Commission finds that dissolution of the RWPRPD is Categorically Exempt pursuant to the California Environmental Quality Act Class 20 – Changes to Government Organization.
9. Pursuant to Government Code section 57008, for any proposal initiated by the commission, LAFCO shall hold a public protest hearing in the affected territory.
10. The effective date of the dissolution shall be the date of filing the certificate of completion of the proposal.

* * * * *

PASSED AND ADOPTED THIS 8th day of August 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.

Dated: August 8, 2012

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 8, 2018 (Agenda)

August 8, 2018
Agenda Item 9

LAFCO 18-09

Dissolution of the Reclamation District 2121 (Bixler Tract)

APPLICANT

Contra Costa LAFCO by Resolution adopted May 9, 2018

ACREAGE &
LOCATION

Reclamation District (RD) 2121 is located in unincorporated east Contra Costa County (Bixler Tract) north of Discovery Bay, near the intersection of Bixler Road and Orwood Road, east of Eagle Lane and south of Dead Dog Slough as shown on the attached map (Attachment 1). The District comprises 584± acres, with a population of approximately 10 residents (zero voters). The District is located outside the countywide urban limit line (ULL) and agriculture is the predominant land use (i.e., crops, cattle grazing).

SYNOPSIS

RD 2121 was formed in 1984 to improve and maintain levee, drainage and irrigation systems within affected territory. The District is a family-run operation that provides maintenance services to non-project levees and internal drainage facilities.

For many years, RD 2121 has struggled with administrative, governance, financial and infrastructure matters. Following the 1st and 2nd round Reclamation Services Municipal Services Review (MSRs) in 2009 and 2015, respectively, LAFCO had communicated with RD 2121 regarding needed improvements to comply with State law. Following Commission discussions in 2017 and early 2018, LAFCO received a letter from RD 2121 thanking LAFCO for explaining the State requirements and for acknowledging the challenges faced by RD 2121. District representatives explained that they operate a small family farm and the State's requirements place a burden on their small operation. Consequently, their small family-run district can no longer remain an independent district. Subsequently, on May 9, 2018, LAFCO adopted a resolution initiating proceedings to dissolve the RD 2121.

BACKGROUND

LAFCO Municipal Service Review (MSR) – Since 2004, LAFCO has completed three MSRs covering RD 2121 - an abbreviated MSR in 2004, a 1st round comprehensive MSR in 2009, and a 2nd round MSR in 2015. All MSRs concluded that RD 2121 is inactive, not functioning as a government agency and not providing services or fulfilling its corporate powers. Specifically, RD 2121 was found to be deficient in the following areas:

- Non-compliance with the Federal Emergency Management Agency (FEMA) requirements.
- No financial or planning documents (i.e., audit, budget, capital plan, etc.), and does not file annual reports with the State Controller's Office.
- Financial resources are severely constrained. The District does not participate in State subvention programs, and is dependent on funding commitments of the landowner.
- No formal levee inspection procedures and does not keep written inspection reports.

The 2009 MSR identified the following governance options for RD 2121: 1) consolidation with RD 2024, 2) consolidation with RD 2065, and 3) dissolution. Consolidation with RD 2024 or RD 2065 was found to be infeasible for financial and liability reasons. The MSR consultants and LAFCO staff recommended a zero SOI for RD 2121, signaling a future change of organization (e.g., dissolution). However, the Commission voted at that time to retain the existing coterminous SOI, and required RD 2121 to report back to LAFCO within two years as to its progress in meeting operational and infrastructure challenges as identified in the MSR report. LAFCO has no record of a progress report being provided within the timeframe.

In 2015, LAFCO completed its 2nd round MSR covering reclamation services. The 2015 MSR updated information contained in the 2009 MSR, and provided a status report on the more significant issues identified in the 2009 MSR. In conjunction with the 2015 MSR, RD 2121 property owners reported that some improvements on the levees have been made with rock materials, but no value to the District was recorded. Further, RD 2121 reported no changes or improvements in its governance, operations or financial status. The District was again found to be inactive, not functioning as a governmental agency, and not recording financial transaction reports with the SCO.

The 2015 MSR concluded that unless RD 2121 activates its financial reporting and makes physical improvements to its levees, no State Levee Subvention or Special Project funding will be available. Further, as currently functioning, RD 2121 will be unable to maintain levee infrastructure and financial stability. At a minimum, budget/financial and capital improvement plans are needed to improve District operations. The 2015 MSR identified one SOI option: adoption of a zero SOI, signaling a future "reorganization." In November 2015, the Commission, by resolution, adopted a zero SOI for RD 2121.

Grand Jury Report - Following the 2015 LAFCO MSR, the Contra Costa Grand Jury issued Report No. 1607 "*Delta Levees in Contra Costa County: How Well Do We Protect This Vital Safety System?*" The report raised concerns about the condition of the levee system, and associated physical and financial risks. The report noted the fragility of the levee system and the lack of funding, and recommended the districts share resources and knowledge among RDs; educate residents of the RDs; and increase involvement and participation by the various entities that benefit from the levee system.

The 2015 LAFCO MSR report contained similar recommendations and suggested that RDs explore the feasibility of entering into mutual aid agreements with adjacent RDs to formalize a plan for assistance and the use and distribution of resources in times of need and/or emergency situations; and to consider a shared website with the other RDs in Contra Costa County.

Both the LAFCO and Grand Jury reports recognize that the Delta levees are vulnerable, in need of repair and maintenance, and pose a risk to Contra Costa and surrounding counties. These reports also acknowledge that efforts to repair and improve the levee system are difficult given the cost, time to implement and political controversy.

California State Controller's Office (SCO) - Notice of Inactive Districts – In January 2017, the SCO sent letters to 14 LAFCOs and to a number of County Auditors asking for updates regarding identified inactive districts. Both Contra Costa LAFCO and the Contra Costa County Auditor received letters. The SCO indicates it is cleaning up its records in an effort to have inactive districts dissolved and removed from the State's rolls.

LAFCOs received these letters with a request for information to help the SCO update their records and to facilitate dissolution of inactive districts. The SCO knows that LAFCO has the power to dissolve and reorganize districts and expects LAFCOs to take the appropriate action.

In response to the SCO's letter of January 2017, LAFCO staff confirmed that RD 2121 is inactive, and noted that The Commission previously adopted a zero SOI for RD 2121 signaling a future change of organization (e.g., dissolution), and that a proposed dissolution would be submitted to the Commission for consideration.

LAFCO staff shared with RD 2121 the SCO's letter and LAFCO's response. At that time, an RD 2121 representative contacted the LAFCO office and indicated that the District was currently looking into State funding opportunities and should not be dissolved.

Legislation Enacted to Address Inactive Districts – In September 2017, the Governor signed Senate Bill 448 which defines "inactive districts" and requires the SCO to publish a list of inactive special districts and notify LAFCOs of inactive districts in their county. The bill requires LAFCO to initiate dissolution of inactive districts within a specified timeframe following notification from the SCO, unless LAFCO determines that

the district does not meet the criteria for “inactive district.” SB 448 also establishes an expedited process for LAFCOs to dissolve inactive districts. SB 448 became effective January 1, 2018.

LAFCO Subcommittee - In October 2017, the Commission appointed a subcommittee composed of Commissioners Burgis, McGill and Skaredoff. The Commission directed the subcommittee to meet with RD 2121 representatives and explain the LAFCO concerns and obligations of an active independent district.

On November 1, 2017, the subcommittee and LAFCO staff met with a District representative and toured the levee. At that time, we learned that RD 2121 had acquired fill material at little/no cost, and had improved a portion of its levees, which, as reported by the District, now meets/exceeds FEMA standards. Also, RD 2121 acknowledged that it has little/no funding, no assets, no financial documents, is inactive and does not currently function as a public agency.

In conjunction with the meeting/tour, subcommittee members offered to assist RD 2121 with governance and administrative matters (e.g., compliance, financial reporting, etc.). As a follow-up to the meeting/tour, Commissioner McGill met with a District representative to discuss next steps.

In January 2018, the subcommittee provided an update to the Commission regarding the meeting/tour and subsequent communications with the District. The update also included a summary of basic legal requirements that RD 2121 should consider taking to operate lawfully, along with recommended activities to enhance fiscal responsibility, transparency and good governance. In accordance with the Commission’s direction, LAFCO sent a letter to RD 2121 reiterating the basic requirements for districts and requesting an update to the Commission by June 30, 2018.

On April 4, 2018, LAFCO received a letter from RD 2121 thanking LAFCO for explaining the State requirements and for acknowledging the challenges faced by the District. The District explained that they operate a small family farm and the State’s requirements place a burden on their small operation. Consequently, their small family-run District can no longer remain an independent district.

In May 2018, the Commission considered all of this information and adopted a resolution initiating dissolution of the RD 2121.

DISCUSSION

Factors for Consideration - Government Code (GC) §56668 sets forth factors that the Commission is required to consider in evaluating any change of organization (e.g., dissolution). In the Commission's review and evaluation, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal. These factors are analyzed in Attachment 2, and other factors are discussed below.

Tax Rates, Assessed Value, Assets and Liabilities - The subject area includes one tax rate area: 72009. The assessed value for the proposal area is \$1,218,842 based on the 2017-18 roll.

RD 2121 receives no property tax funding, has no current assessments, no assets and no liabilities.

Designation of Successor Agency and Plan for Service - The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 provides that should LAFCO dissolve a district, it shall identify the effective date of dissolution, designate a successor agency to wind up the affairs of the extinguished agency, and may apply other terms and conditions with its action pursuant to GC §§56885 – 56890.

If the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is deemed the successor agency pursuant to GC §57451(b). RD 2121 is located entirely in unincorporated Contra Costa County. However, given RD 2121 has no assets or liabilities, is a “landowner” district, and all assets (e.g., land, property, etc.) are wholly owned by two partnerships, there is no need to designate a successor agency. LAFCO staff will coordinate with the landowners, if necessary, regarding any final steps to wind up the affairs of RD 2121.

Commission Proceedings – A dissolution may be initiated by LAFCO pursuant to GC §§56375(a).

In accordance with SB 448 relating to dissolving inactive districts, the following provisions were added to the Government Code:

56042 "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

56879(a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in Section 56042, based upon the financial reports received by the Controller pursuant to Section 53891. The Controller shall publish the list of inactive districts on the Controller's Internet Web site. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in Section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in Section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section no more than 90 days following the adoption of the resolution initiating dissolution. The dissolution of an inactive district shall not be subject to any of the following:

- (1) Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4.
- (2) Determinations pursuant to subdivision (b) of Section 56881.
- (3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.

Before LAFCO can dissolve RD 2121, LAFCO must hold a public hearing on the proposed dissolution. In conjunction with today's hearing, LAFCO published a legal notice in the *Contra Costa Times* (all editions), and mailed notices to all landowners and registered voters within the subject area, as well as to all landowners and voters within 300 feet of the subject area. As of this writing, no comments were received.

Given RD 2121 meets the definition of "inactive district" (GC §56042), the provisions of GC §56879 apply and the protest hearing is waived.

Environmental Impact of the Proposal - The LAFCO initiated proposal to dissolve RD 2121 is a jurisdictional change and has no physical effects on land use or the environment. As Lead Agency, LAFCO finds the project exempt pursuant to the California Environmental Quality Act (CEQA) pursuant to Class 20 – Changes in Government Organization (section 15320). The LAFCO Environmental Coordinator reviewed the document and finds it adequate for LAFCO purposes.

CONCLUSION

One of the fundamental goals of LAFCOs is to ensure the efficient and effective provision of municipal services in an accountable manner. The proposed dissolution will terminate a struggling and inactive district

and relieve the landowners of government requirements which the District believes places a burden on their small operation.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider approving one of the following options:

- Option 1**
1. Approve the dissolution and required findings as proposed pursuant to the following:
 - a. The affected territory is located entirely within an unincorporated area of Contra Costa County.
 - b. The reason for the proposal is to dissolve a district that is inactive, has struggled for years with administrative, governance, financial and infrastructure matters.
 2. Find that the project is Categorically Exempt pursuant to the California Environmental Quality Act (CEQA) Class 20 – Changes to Government Organization.
 3. Find that the subject territory is uninhabited, meets the criteria of an inactive district pursuant to GC §56042, and that the protest proceedings are hereby waived pursuant to GC §56879.
 4. Adopt LAFCO Resolution No. 18-09A (Attachment 3) approving dissolution of RD 2121 and setting forth the Commission's terms, conditions, findings and determinations.

Option 2 DENY the proposal to dissolve the RD 2121.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTIONS:

Approve Option 1 to dissolve RD 2121

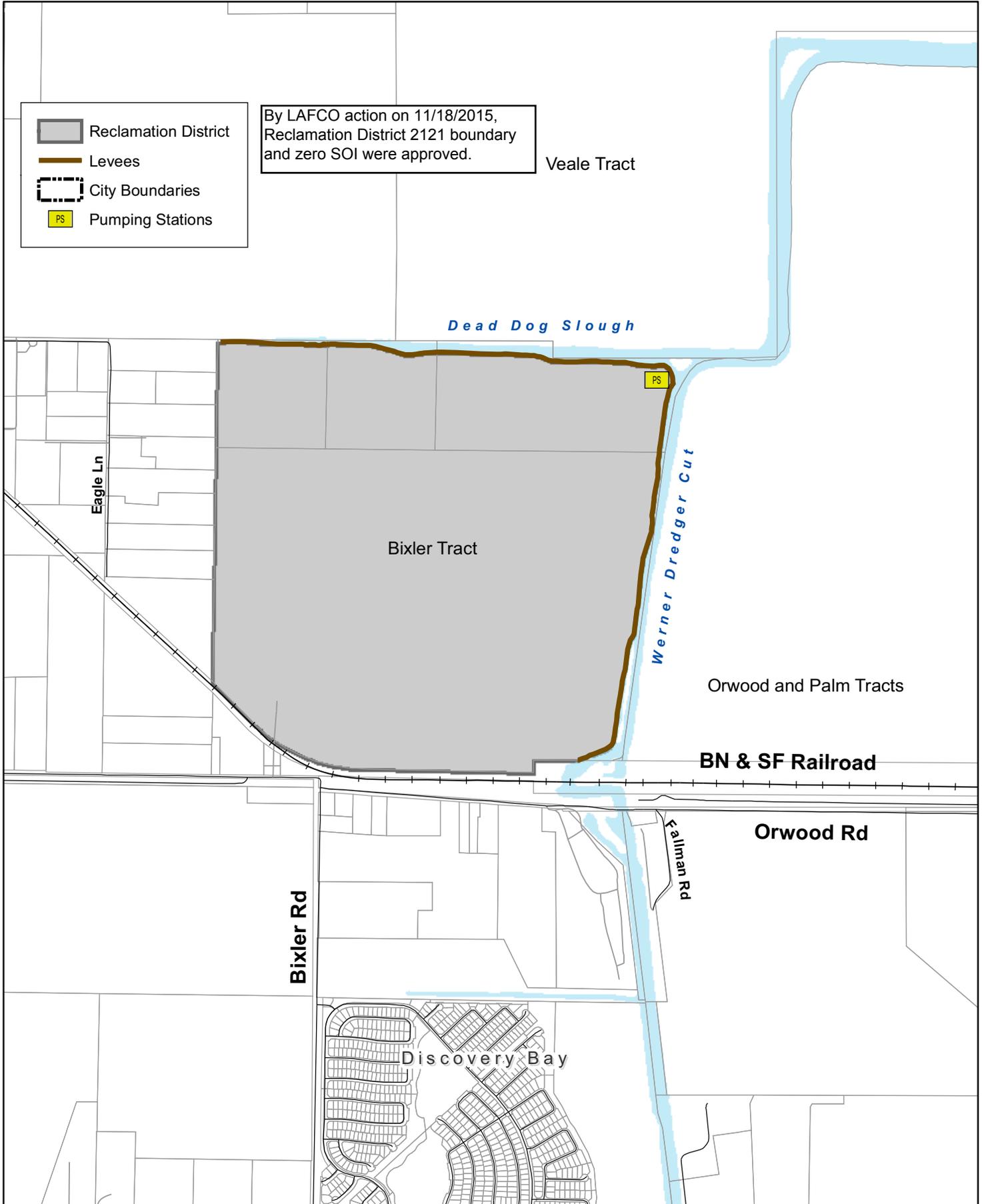
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

Attachments:

1. Map of RD 2121
2. Factors for Consideration (GC §56668)
3. Draft LAFCO Resolution No. 18-09A

c: Distribution

RD 2121 Boundary and Zero SOI



Legend:

- Reclamation District
- Levees
- City Boundaries
- PS Pumping Stations

By LAFCO action on 11/18/2015, Reclamation District 2121 boundary and zero SOI were approved.



DISSOLUTION OF RECLAMATION DISTRICT (RD) 2121
Factors for Consideration (California Government Code §56668)

FACTOR	COMMENTS
(a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	The subject area is in unincorporated east Contra Costa County located along the westerly edge of the Delta, approximately three miles east of the City of Brentwood. The area comprises 584± acres and four parcels. The District is outside the countywide urban limit line (ULL) and agriculture is the predominant land use (crops, cattle grazing). The population is approximately 10 (zero registered voters).
(b) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.	The landowners maintain the levee system currently and following dissolution. The District has no assets or liabilities. All assets (land, property) are wholly owned by two family partnerships.
(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	It is not anticipated that dissolution of the District would affect adjacent areas or the local government structure of the County.
(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377. <i>(Note: Section 56377 encourages preservation of agricultural and open space lands)</i>	The subject area is designated for agricultural uses and is located outside the ULL. The dissolution would have no effect on development or on policies and priorities in Section 56377.
(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	The subject area will remain in agricultural use following dissolution.
(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	The parcels that comprise the subject territory have specific boundary lines that are certain and identifiable.
(g) A regional transportation plan adopted pursuant to Section 65080.	N/A

FACTOR	COMMENTS
(h) The proposal's consistency with city or county general and specific plans.	The dissolution will have no effect on the County General Plan.
(i) The sphere of influence (SOI) of any local agency which may be applicable to the proposal being reviewed.	The dissolution will have no effect on the SOIs of any local agency.
(j) The comments of any affected local agency or other public agency.	As of this writing, no agency comments were received.
(k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	N/A
(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	N/A
(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	N/A
(n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.	As of this writing, no comments were received.
(o) Any information relating to existing land use designations.	The County's General Plan designation for the area is Agricultural Lands (AL) and the zoning designation is General Agriculture (A-2 – parcel 5-acre minimum) adjacent to Agricultural Preserve (A-4 - parcel 40-acre minimum). No changes to the existing land uses will result from this change of organization.
(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.	The dissolution will have no effect on environmental justice or to the fair treatment of people of all races, cultures and incomes.
56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.	Dissolution of RD 2121 will not affect or be affected by Plan Bay Area, in that the Plan focuses on Priority Development Areas (PDAs) and Priority Conservation Areas (PCAs); and the affected territory is neither.

RESOLUTION NO. 18-09A

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DISSOLUTION OF
RECLAMATION DISTRICT 2121 (Bixler Tract)**

WHEREAS, on May 9, 2018, the Contra Costa Local Agency Formation Commission (LAFCO) adopted a resolution initiating dissolution of Reclamation District (RD) 2121 pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, the Executive Officer has issued a certificate of filing deeming the application complete; and

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

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence (SOIs) and related information; and

WHEREAS, RD 2121 is located entirely within unincorporated Contra Costa County, north of Discovery Bay, near the intersection of Bixler Road and Orwood Road, east of Eagle Lane and south of Dead Dog Slough; and

WHEREAS, RD 2121 comprises 584± acres, with a population of approximately 10 residents; and

WHEREAS, RD 2121 was formed in 1984 to provide reclamation services (i.e., levee maintenance, flood control, drainage); and

WHEREAS, in 2004, 2009 and 2015 LAFCO completed Municipal Services Reviews covering reclamation services and learned that RD 2121 was experiencing financial, operational and governance challenges; and

WHEREAS, in November 2015, the Commission adopted a zero SOI for RD 2121 signaling a future change of organization (i.e., dissolution); and

WHEREAS, LAFCO determines that dissolution of RD 2121 is consistent with the findings and recommendations of the MSRs and with the Commission's prior action adopting a zero SOI for RD 2121; and

WHEREAS, RD 2121 is an inactive district as defined in Government Code section 56042; and

WHEREAS, RD 2121 currently has no assets or liabilities and can be dissolved pursuant to Government Code section 56879; and

WHEREAS, because RD 2121 has no assets or liabilities, there is no need for the Commission to identify a successor under Government Code section 57451.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The subject proposal is assigned the distinctive short-form designation:
DISSOLUTION OF RECLAMATION DISTRICT 2121
2. RD 2121 is located entirely within unincorporated Contra Costa County. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Attachment 1, attached hereto and made a part hereof.
3. The proposal was initiated by LAFCO, the subject territory is uninhabited, and the protest proceedings are hereby waived pursuant to Government Code section 56879.
4. Notice of the Commission's hearing regarding this proposal was advertised in the *Contra Costa Times*, and notices were mailed to all landowners and registered voters within the subject area, as well as landowners and voters within 300 feet of the subject area and affected and interested agencies and individuals.
5. In reviewing this proposal, the Commission has considered each of the factors required by Government Code section 56668.
6. The Commission finds that dissolution of RD 2121 is Categorically Exempt pursuant to the California Environmental Quality Act Class 20 – Changes to Government Organization.
7. The effective date of the dissolution shall be the date of filing the certificate of completion of the proposal.

* * * * *

PASSED AND ADOPTED THIS 8th day of August 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.

Dated: August 8, 2012

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>

August 8, 2018
 Agenda Item 10

August 8, 2018

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

“City Services” Municipal Services Review Update

Dear Members of the Commission:

In May 2018, Contra Costa LAFCO embarked on its second round “City Services” Municipal Services Review (MSR) covering all 19 cities and four of the six community services districts (CSDs).

On May 10th, the lead MSR consultant and LAFCO Executive Officer attended the monthly public managers (PMA) meeting to provide an overview the MSR process – why we do them, what the 2nd round review will cover, timeline, etc. We also distributed an MSR information sheet, which provides information regarding the statutory requirements to prepare MSRs and update spheres of influence, along with a summary of what the 2018 city services MSR will cover, the value of MSRs and the public input opportunities (Attachment 1). Further, we informed the PMA that the requests for information (RFIs) would arrive in mid-June, instead of the original mid-May date, as LAFCO did not want to interfere with city budget work.

On June 15th, RFIs, along with an explanatory cover letter and supporting documents, were emailed to each city/district manager and each city/district finance manager. The city managers received several spreadsheets with some pre-populated data, and the finance managers received a list of questions. LAFCO requested that the responses be returned by July 16, 2018.

On June 15th, LAFCO staff received an email from David Biggs, City Manager, City of Hercules (Attachment 2). Mr. Biggs expressed concerns with the magnitude of information requested and the impact it will have on city staff. Also, he suggested that much of the information requested is available online (e.g., State Controller’s reports, etc.); and that more of the information should be pre-populated. Both the consultant and I spoke with Mr. Biggs and the consultant provided Mr. Biggs a time extension to August 3rd to respond to the RFIs.

Subsequently, Mr. Biggs asked if LAFCO staff could attend the July 11th PMA meeting. Unfortunately, due to other commitments, LAFCO staff was unavailable to attend, and asked that Mr. Biggs extend

apologies to the group and advise the city managers that if they need more time to complete the RFIs to please contact the consultant or LAFCO staff and we would accommodate them.

On July 13th, LAFCO staff received a second email from Mr. Biggs, which is attached along with LAFCO staff's responses (Attachment 3). All who received the RFIs in June (i.e., City Managers and City Finance Managers) were copied on the responses.

I believe that three of the four issues have been resolved. The only outstanding issue is the request that LAFCO extend the deadline for submittal of the requested MSR information to September 14, 2018. As explained in my response, LAFCO staff cannot recommend an extension to September 14th as this will impact the Commission's annual work plan (adopted March 2018), the MSR schedule (LAFCO is scheduled to start another 2nd round MSR this fiscal year), the consultant's contract and their client workload, and, potentially, the LAFCO budget, which is funded by the County, cities and special districts. Further, LAFCO has already delayed roll-out of the "City Services" MSR by one month so as not to interfere with city budget work.

All cities that have requested limited extensions of time have received them. The longest extension request was to August 6, 2018. And as of this writing, LAFCO has received full or partial responses from 12 of the 23 agencies included in this MSR; and we expect that most other agencies will provide their information by August 6th.

RECOMMENDATION: It is recommended that the Commission provide input and direction as desired.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachment 1 – 2018 City Services MSR Information Sheet

Attachment 2 – June 15, 2018 email from Mr. Biggs

Attachment 3 – July 13, 2018 email from Mr. Biggs and LAFCO Staff's Responses

CONTRA COSTA LAFCO KICKS OFF "CITY SERVICES" REVIEW

The Contra Costa Local Agency Formation Commission (LAFCO) is embarking on its 2nd round "*City Services Review*" Municipal Services Review (MSR) and Sphere of Influence (SOI) updates. The 2nd round MSR will include a review of the 19 incorporated cities in Contra Costa County, as well as four of the six community services districts (CSDs).

The review will cover a range of services including animal control, broadband, building/land use planning, law enforcement, library, parks & recreation, solid waste, street lighting, streets/roads, storm water/drainage, and utilities (e.g., gas, electricity, community choice aggregation). LAFCO completed its 2nd round MSRs covering water/wastewater (2014), reclamation services (2015), fire/EMS (2016) and healthcare services (2018); thus these services will not be covered in the "*City Services Review*."

LAFCO Service Review Responsibilities

State law mandates that once every five years, each LAFCO review and update as necessary, the SOIs for cities and districts. An MSR must be conducted prior to or in conjunction with the SOI review/update and must include an analysis and written statement of determination regarding each of the following:

- Growth and population projections for the affected area
- Location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUC within or contiguous to the SOI
- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission policy

In addition to the required determinations noted above, the 2nd round MSR includes the following focus areas:

- ✚ Updating profile data including growth and population, jobs/housing, finances (expenses, revenues, debt, reserves, related fiscal indicators), and staffing
- ✚ Shared services (i.e., joint powers/joint use agreements, contracts between public agencies, public- private partnerships)
- ✚ Infill development/sprawl prevention/islands
- ✚ Agricultural/open space preservation

Cities

- Antioch
- Brentwood
- Clayton
- Concord
- Danville
- El Cerrito
- Hercules
- Lafayette
- Martinez
- Moraga
- Oakley
- Orinda
- Pinole
- Pittsburg
- Pleasant Hill
- Richmond
- San Pablo
- San Ramon
- Walnut Creek

CSDs

- Crockett CSD
- Diablo CSD
- Town of Discovery Bay CSD
- Kensington Police Protection & CSD

Value of the MSR Report

The MSR will serve as an information resource on “city services” in Contra Costa County for local agencies, LAFCO and the public. LAFCO, local agencies and the public may use the information in the MSR in conjunction with future changes in boundaries, SOIs, and governance. In addition, the MSR will showcase best practices and potential for service enhancements and collaboration.

MSR Consultants

Lamphier Gregory and Berkson Associates, selected through a Request for Proposal process, were retained by LAFCO to conduct the “*City Service Review*.” They will be contacting the cities and districts shortly to begin the data collection.

Opportunities for Input

The MSR process will involve direct communication with the subject cities and districts and other organizations as needed. Upon request, updates to the Public Managers Association, City/County Planning Directors, and other organizations will be provided. The subject agencies will receive an initial request for information and follow-ups, if needed.

There will be multiple opportunities to provide input! The subject agencies will be provided a draft agency profile for review prior to release of the Public Review Draft MSR. The Public Review Draft MSR will undergo a 30-day review, during which time LAFCO will receive comments. We encourage your City Councils/Boards of Directors to hold a public discussion of the MSR during the Public Review process. Following review and comment on the Public Review Draft MSR by the LAFCO Commissioners, a Final Draft MSR will be released. Additional comments will be accepted on the Final Draft MSR before the Final MSR is accepted by the Commission. We encourage local agency and public input throughout the MSR process.

Project Timeline (Estimated)

- May 2018 - MSR Kick-off
- June - Aug 2018 - Data Collection/Verification
- Sept - Dec 2018 - Analysis/Preliminary Findings/Admin Draft
- Jan 2019 - Public Review Draft MSR
- Feb 2019 - 1st LAFCO Hearing
- Mar 2019 - Final Draft MSR
- April 2019 - 2nd LAFCO Hearing and finalize MSR report

Further information on MSRs and Contra Costa LAFCO is available on the LAFCO website at: <http://contracostalafco.org/>.

May 10, 2018

Kate Sibley

From: David Biggs <DBiggs@ci.hercules.ca.us>
Sent: Friday, June 15, 2018 10:22 AM
To: Sharon Wright
Cc: Lou Ann Texeira; Kate Sibley
Subject: RE: Request for Info: LAFCO Municipal Services Review

Good Morning –

While we had a heads up this was coming, a quick review of the information you are requesting that we complete will have a tremendous impact on our limited staffing. Much of the information requested is available in places like the State Controller's Reports and other documents. Is there any reason why you haven't already consulted those sources like the others you cite as having been used to pre-populate the data?

Also, I see a request for information on JPAs and a few other areas that aren't pre-populated. Would that information have been provided in prior reviews? And, if so, why wasn't that provided for us to change or update? And if it wasn't asked for previously, why is it being asked for now?

I do not see that we have the capacity to comply with your requested timeline and I am sure that many of the other cities in the County will be in the same situation. As such, I would suggest that we explore what types of information we can provide you and your team in a raw form to extract rather than imposing this upon or organization to provide.

Thanks,

David Biggs
 City Manager

From: Sharon Wright [mailto:swright@lamphier-gregory.com]
Sent: Friday, June 15, 2018 9:36 AM
To: David Biggs <DBiggs@ci.hercules.ca.us>
Cc: 'Lou Ann Texeira' <LouAnn.Teixeira@lafco.cccounty.us>; 'Kate Sibley' <Kate.Sibley@lafco.cccounty.us>
Subject: Request for Info: LAFCO Municipal Services Review

Dear Mr. Biggs,

Attached is a request for information from the Contra Costa Local Agency Formation Commission (LAFCO). As described in the attached letter, LAFCO is preparing the 2018 "City Services" Municipal Service Review and Sphere of Influence Update, which will be used to update the spheres of influence for 4 community services districts and the 19 cities in Contra Costa County as required by law.

As noted in the letter, we ask that the reviewed and completed Agency Profile, questionnaire, and associated information be submitted *no later than July 16, 2018*.

We appreciate your assistance in ensuring that the information concerning your agency is complete, accurate, and up-to-date.

If you have any questions about the data requested in the questionnaire or for the profile, please feel free to contact me at 510.535.6690 or swright@lamphier-gregory.com.

Thank you,

Sharon Wright

Kate Sibley

From: Lou Ann Texeira
Sent: Tuesday, July 17, 2018 12:31 PM
To: 'David Biggs'
Cc: Bill Lindsay; Brad Kilger; 'Bryan Montgomery'; 'cbattenberg@moraga.ca.us'; 'buckshi@walnut-creek.org'; gnapper@ci.clayton.ca.us; 'CityManager@brentwoodca.gov'; Joe Calabrigo; 'JGordon@sanramon.ca.gov'; 'Joe Sbranti'; 'jcatalogo@ci.pleasant-hill.ca.us'; 'mattr@sanpabloca.gov'; 'citymng@ci.pinoles.ca.us'; Bernal, Ron (rbernal@ci.antioch.ca.us); 'shanin@ci.el-cerrito.ca.us'; 'ssalomon@cityoforinda.org'; 'SFalk@lovelafayette.org'; Barone, Valerie; 'amiller@ci.pinoles.ca.us'; 'ato@ci.hercules.ca.us'; 'Belinda_Warner@ci.richmind.ca.us'; Brad Farmer; 'cdaniels@sanramon.ca.gov'; 'David Glasser'; 'dmerchant@ci.antioch.ca.us'; 'Sultan@ci.oakley.ca.us'; 'Mehirdel@walnut-creek.org'; 'Karen.Reid@cityofconcord.org'; 'kellys@sanpabloca.goc'; 'Breen, Kerry'; 'kmizuno@ci.clayton.ca.us'; 'iha@danville.ca.gov'; 'mrasiah@ci.el-cerrito.ca.us'; 'Mmccarthy@ci.pleasant-hill.ca.us'; 'Paul Rankin'; 'TRobinson@lovelafayette.org'; 'yelbo@moraga.ca.us'
Subject: LAFCO Municipal Services Review

Hi David,

Thank you for your comments and questions - see responses below. Please contact me with any further questions.

Lou Ann Texeira, Executive Officer
 Contra Costa LAFCO
 651 Pine Street, 6th Floor
 Martinez, CA 94553
 925-335-1094
LouAnn.Teixeira@lafco.cccounty.us

From: David Biggs [<mailto:DBiggs@ci.hercules.ca.us>]
Sent: Friday, July 13, 2018 4:15 PM
To: Lou Ann Texeira <LouAnn.Teixeira@lafco.cccounty.us>
Subject: Municipal Services Review

Hello Lou Ann –

We discussed the Municipal Services Review at the County PMA meeting this week, and on behalf of the PMA and the County's Cities, I am writing to request that LAFCO extend the deadline for submittal of the requested MSR information to September 14, 2018. While some cities may respond prior to that date, there was a consensus that an extension would be most helpful. **I will bring this request to the Commission – our next meeting is August 8th. I cannot recommend that we extend the deadline to September 14th as it will impact the Commission's annual work plan (adopted in March 2018), the MSR schedule (we are scheduled to start another 2nd round MSR this fiscal year), the consultant's contract and their client workload, and potentially, the LAFCO budget, which is funded by the County, cities and special districts.**

As the MSR consultant and I explained at the May 10th PMA meeting, LAFCO delayed roll-out of the "City Services" MSR by one month so as to not interfere with city budget work; further delays beyond the first week in August are problematic. In response to your previous email, I asked that you inform the city managers that if their city needs more time to respond to

LAFCO's request for information, they can contact the consultant or me and we are happy to accommodate them; several have done so.

Second, many cities have discussed providing you and your consultant team with links to existing documents where you can find the information you are seeking. Our preference would be for your team to pre-populate as much of the information as possible from existing available resources such as our annual budgets, Comprehensive Annual Financial Reports, and the State Controller's Reports. Cities would then be happy to review the information and answer any questions which your team may have. **There appears to be a misunderstanding regarding the fiscal information. The email and attachments sent to the City/District Managers includes a protected worksheet titled "Financial Information." The consultants will complete this worksheet. The email sent to the City/District Finance Managers includes a list of questions (no worksheet) to be completed by city staff.**

Third, in order to avoid duplication, it was suggested that each City provide you with a listing of the JPA's to which they belong and only those JPA agreements to which the City is party with related entities only. It would be much more effective if your staff were to contact the JPA's which have multiple City members to secure the JPA agreements from that JPA directly. Otherwise, you may end up with 19 cities submitting the same JPA agreement. **A list of JPAs is fine with us.**

Finally, it was requested that you, and any members of your team which you determine would be desirable, attend our August meeting if you can and which will take place on Thursday, August 9th. We would like to explore the MSR process with you and gain a better understanding of why the information being requested is necessary and how it will be used in the MSR. **I can attend the PMA meeting on August 9th at the beginning of the meeting (noon); I have other commitments in the afternoon.**

Let us know if you have any other questions/comments. Thanks!

Regards,

David Biggs
City Manager
City of Hercules
111 Civic Drive
Hercules, CA 94547
(510) 799-8216
dbiggs@ci.hercules.ca.us



August 8, 2018
Agenda Item 11

2017

Popular Annual Financial Report

for the Year Ended December 31, 2017

A Message to Members

I am pleased to present the Popular Annual Financial Report (PAFR) for the year ended December 31, 2017. The financial data presented in the PAFR is derived from the Comprehensive Annual Financial Report (CAFR) and is consistent with generally accepted accounting principles (GAAP). The goal is to provide a summary of CCCERA's annual financial report that allows members and other interested parties to review the fund's fiscal information and demographics.

CCCERA's Total Fund returned 14.2% (gross of investment management fees) for the year ending December 31, 2017. This was greater than the long-term objective of delivering CPI plus 400 basis points, which was 6.0% for 2017.

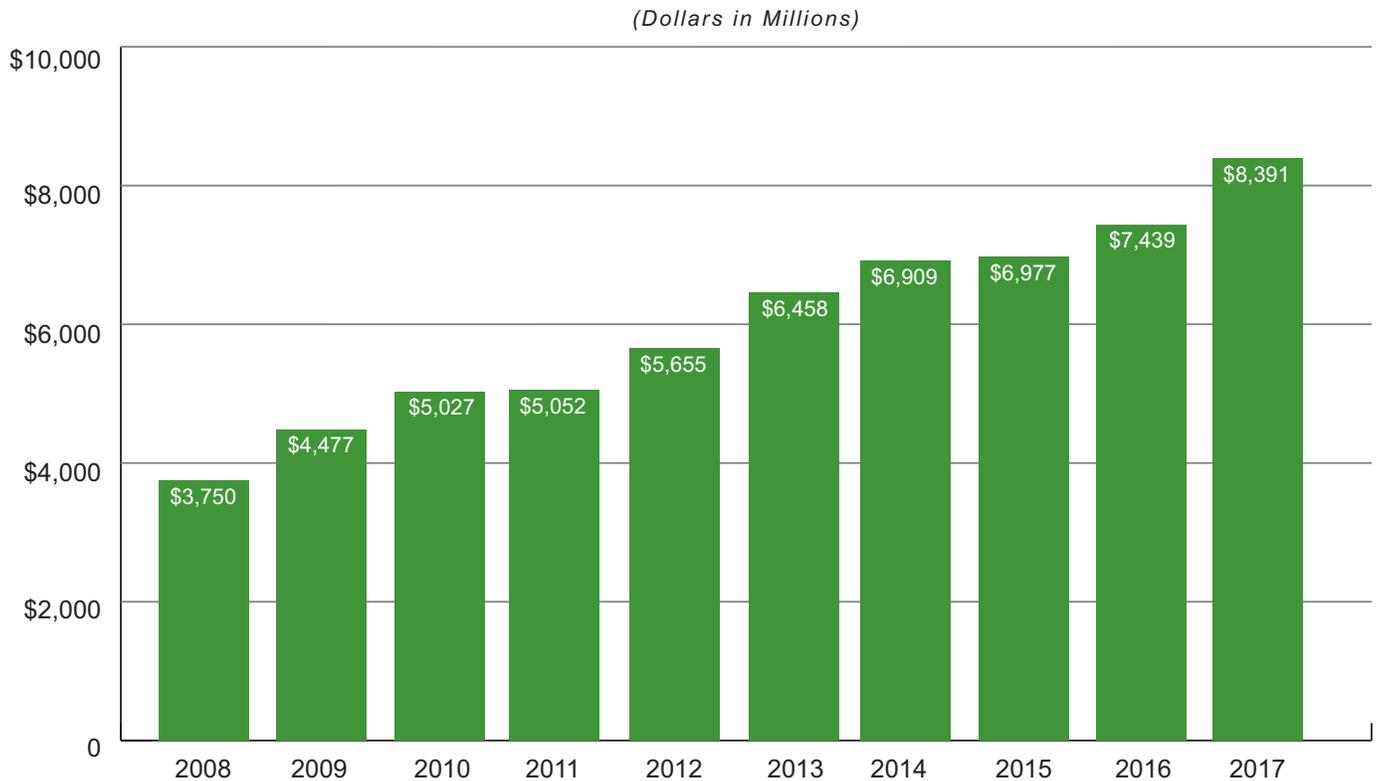
As of December 31, 2017, CCCERA's net position totaled \$8.4 billion which means that assets of \$8.9 billion exceed liabilities of \$0.5 billion. The primary use of assets includes benefit payments to retirees and their beneficiaries, contribution refunds to terminating employees, and the cost of administering the system. The funded ratio is 86.5%, as of December 31, 2016, the date of CCCERA's most recent actuarial valuation.

CCCERA has a net pension liability (NPL) of \$0.8 billion as of December 31, 2017. The plan fiduciary net position as a percentage of the total pension liability as of December 31, 2017 is 91.2%. The net pension liability as a percentage of covered payroll is 100.2% as of December 31, 2017. The associated schedules and additional information for this requirement are shown in the Financial Section of the CAFR.

This report does not replace the CAFR. Detailed information on the subjects included here and other important aspects of CCCERA's administration are in our CAFR at cccera.org.

Gail Strohl
Chief Executive Officer

FIDUCIARY NET POSITION RESTRICTED FOR PENSION BENEFITS



As of December 31, 2017, CCCERA had \$8.4 billion in net position restricted for pensions, which means that assets of \$8.9 billion exceeded liabilities of \$0.5 billion.

annualized rate of return was 8.0% over the last three years, 9.7% over the last five years, and 6.7% over the last 10 years.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report CCCERA's net position restricted for pensions and is one way to measure the plan's financial position. Over time, increases and decreases in CCCERA's net position are indicators of whether its financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring CCCERA's overall financial position.

As of December 31, 2017, the net position restricted for pensions increased by 12.8% over 2016, primarily due to positive investment returns. CCCERA's total fund returned 14.2% before fees for the one-year period ending December 31, 2017, greater than the long-term objective of delivering CPI plus 400 basis points, which was 6.0% for 2017. CCCERA's gross

FIDUCIARY NET POSITION (Dollars in Thousands)				
	2017	2016	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)
Assets				
Current and Other Assets	\$758,014	\$921,158	(\$163,144)	(17.7%)
Investments at Fair Value	8,153,588	7,191,764	961,824	13.4%
Capital Assets	224	97	127	130.9%
Total Assets	8,911,826	8,113,019	798,807	9.8%
Liabilities				
Current Liabilities	521,245	674,499	(153,254)	(22.7%)
Total Liabilities	521,245	674,499	(153,254)	(22.7%)
NET POSITION - RESTRICTED FOR PENSIONS	\$8,390,581	\$7,438,520	\$952,061	12.8%

CHANGES IN FIDUCIARY NET POSITION

The primary sources of funding for CCCERA member benefits are employer contributions, plan member contributions and net investment income. Total additions to fiduciary net position for the years ended December 31, 2017 and 2016, were \$1,407.9 million and \$900.1 million, respectively. The increase in the current year is primarily due to investment gains being higher than in the previous year. The increase in employer contributions is mostly due to higher employer contribution rates over the prior year. Employee contributions increased over the prior year mostly due to an increase in plan members. Net investment income for the year ended December 31, 2017 totaled \$995.7 million.

CCCERA's assets can only be used to make benefit payments to retirees and beneficiaries, contribution refunds to terminated employees, and pay the costs of administering the system. Total deductions from fiduciary net position for the years ended December 31, 2017 and 2016, were \$455.8 million and \$438.1 million, respectively. Benefits paid to retirees and beneficiaries were \$430.0 million in 2017, an increase of \$18 million, or 4.4% over 2016. The growth in benefit payments was due to a combination of the following: (1) the net increase in the number of retirees and beneficiaries for the year and (2) the increase in the average retirement allowances of those who were added to the retirement payroll.

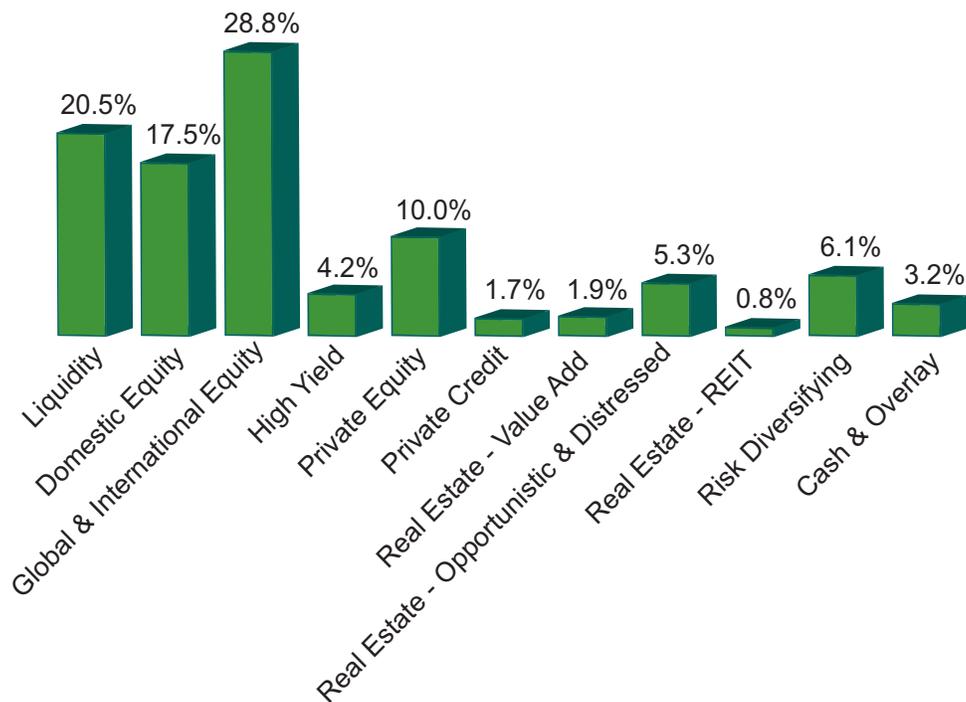
CHANGES IN FIDUCIARY NET POSITION (Dollars in Thousands)				
	2017	2016	Amount Increase/ (Decrease)	Percent Increase/ (Decrease)
Additions:				
Employer Contributions	\$314,836	\$307,909	\$6,927	2.2%
Plan Member Contributions	96,467	88,788	7,679	8.6%
Net Investment Income	995,678	501,733	493,945	98.4%
Net Securities Lending Income	878	1,630	(752)	(46.1%)
Total Additions	1,407,859	900,060	507,799	56.4%
Deductions:				
Benefits Paid	430,037	412,073	17,964	4.4%
Contribution Prepayment Discount	9,140	9,489	(349)	(3.7%)
Administrative	9,146	8,486	660	7.8%
Refunds	5,518	7,154	(1,636)	(22.9%)
Other Expenses	1,957	920	1,037	112.7%
Total Deductions	455,798	438,122	17,676	4.0%
INCREASE IN NET POSITION - RESTRICTED FOR PENSION BENEFITS	\$952,061	\$461,938	\$490,123	106.1%

ASSET ALLOCATION

Asset allocation is an integral part of CCCERA's investment policy. CCCERA's chief investment officer and the outside investment consultant (Verus) assist the Board in designing strategic diversification strategies to maintain steady, long-term gain, with appropriate risk. Please refer to the CAFR for additional information.

The main investment goal is for the total fund return to exceed the long-term objective of delivering CPI plus 400 basis points, which was 6.0% for 2017. As mentioned, for the year ended December 31, 2017, the total fund return was 14.2% before fees.

Actual Asset Allocation



ASSET ALLOCATION (Continued)

Investment Results Based on Fair Value*				
As of December 31, 2017				
		Annualized (gross of fees)		
	Current Year	3 Year	5 Year	10 Year
Total Fund	14.2%	8.0%	9.7%	6.7%
<i>Benchmark:</i>				
Policy Index	13.8%	7.6%	9.4%	-
Total Fund excl. Overlay & Cash	14.1%	8.0%	9.7%	6.6%
<i>Benchmark:</i>				
Policy Index	13.8%	7.6%	9.4%	-
Domestic Equity	23.9%	11.8%	16.2%	9.3%
<i>Benchmark:</i>				
Russell 3000	21.1%	11.1%	15.6%	8.6%
International Equity	25.5%	7.9%	8.2%	1.5%
<i>Benchmarks:</i>				
MSCI ACWI ex-USA Gross	27.8%	8.3%	7.3%	2.3%
MSCI EAFE Gross	25.6%	8.3%	8.4%	2.4%
Global Equity	23.7%	10.8%	12.1%	-
<i>Benchmark:</i>				
MSCI ACWI	24.0%	9.3%	10.8%	-
Domestic Fixed Income	7.5%	3.9%	4.2%	-
<i>Benchmark:</i>				
BofA ML High Yield Master II+2%	9.6%	8.5%	7.9%	-
High Yield	6.5%	5.5%	5.3%	7.8%
<i>Benchmark:</i>				
BofA ML High Yield Master II	7.5%	6.4%	5.8%	7.9%
Real Estate	11.1%	10.0%	12.1%	6.1%
<i>Benchmarks:</i>				
Real Estate Benchmark	7.1%	7.4%	9.5%	7.0%
NCREIF - ODCE Index	7.6%	10.4%	11.5%	5.0%
NCREIF Property Index	7.0%	9.4%	10.2%	6.1%
Alternatives	10.9%	11.1%	13.1%	10.0%
<i>Benchmark:</i>				
S&P 500 + 4% Lagged	23.3%	15.2%	18.7%	11.7%
Opportunistic	11.6%	2.6%	6.5%	-
<i>Benchmark:</i>				
CPI + 4%	6.2%	5.7%	5.5%	-
Risk Diversifying Fixed Income	3.6%	2.5%	2.4%	4.3%
<i>Benchmark:</i>				
CPI + 4%	6.2%	5.7%	5.5%	-
Inflation Hedge	8.2%	3.3%	2.1%	-
<i>Benchmark:</i>				
CPI + 4%	6.2%	5.7%	5.5%	-

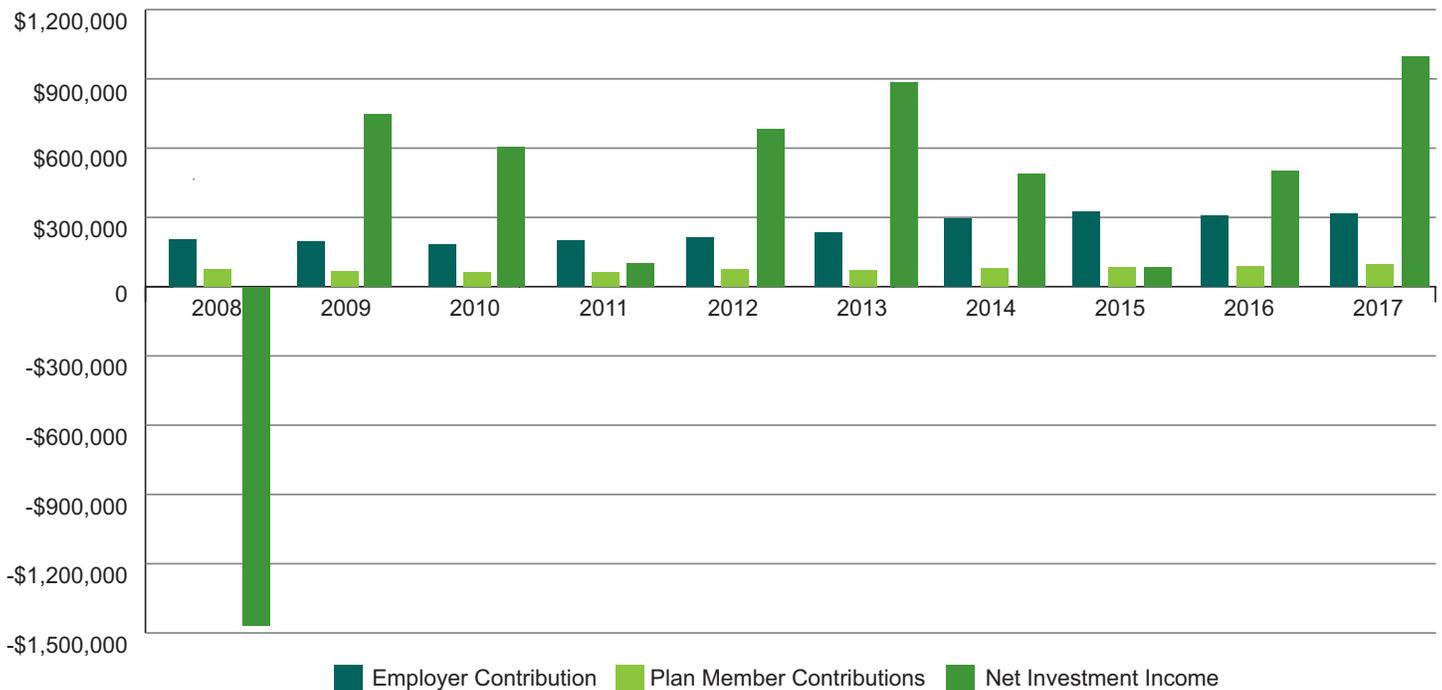
*Using time-weighted rate of return based on the market rate of return.

REVENUE BY SOURCE

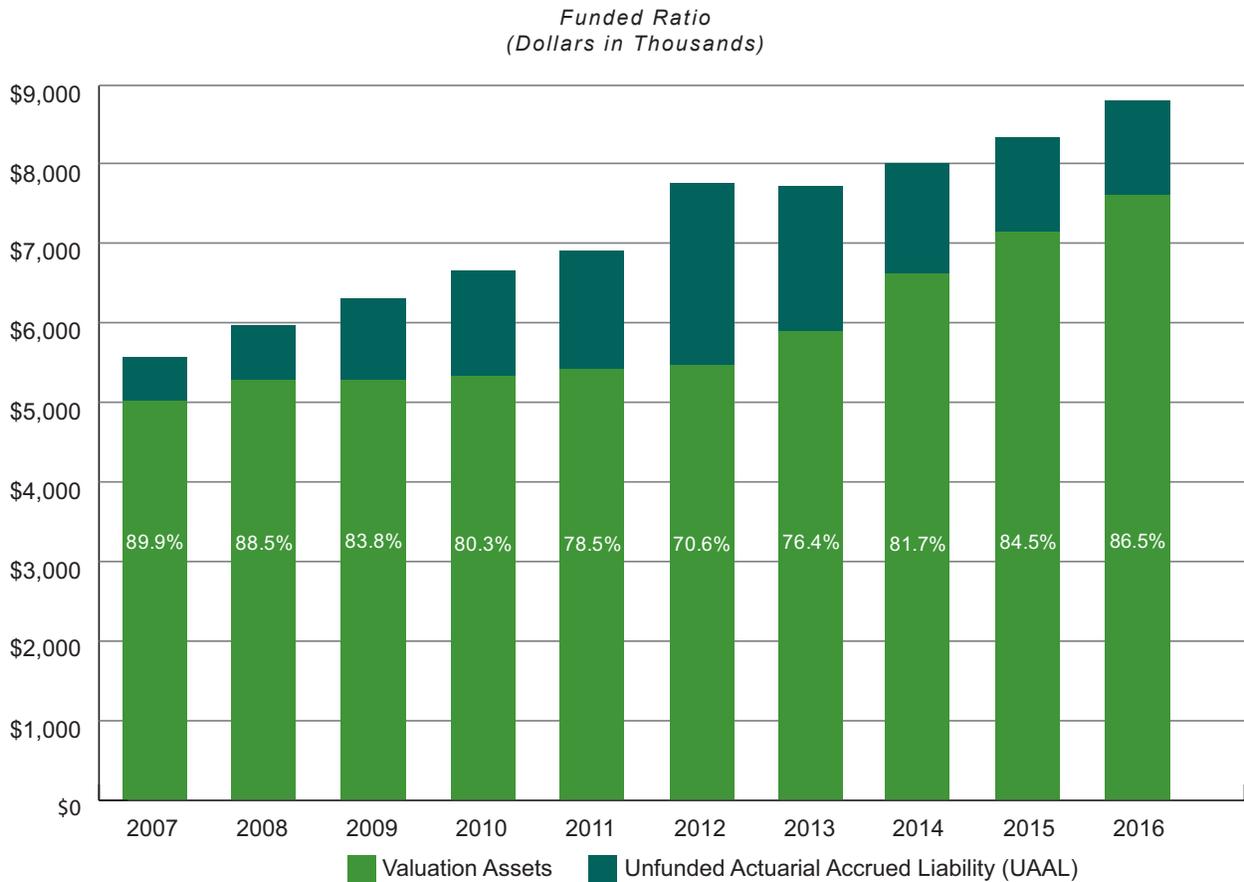
Employer and plan member basic and COLA (Cost of Living Adjustment) contributions are based on statute and rates recommended by an independent actuary and adopted by the Board.

CCCERA's actuarial valuations are performed as of December 31 of each year; contribution requirements resulting from such valuations become effective 18 months after the valuation date (i.e., December 31, 2016 rates become effective on July 1, 2018).

(Dollars in Thousands)



ACTUARIAL FUNDING STATUS



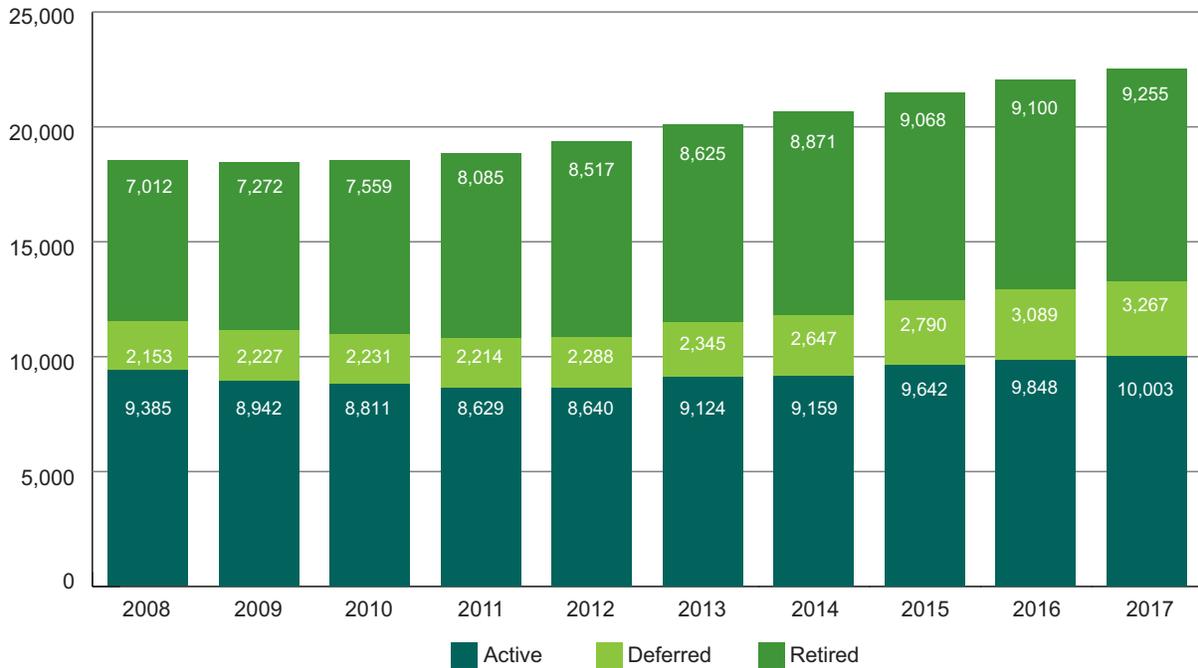
In order to determine whether the pension plan's net position restricted for pensions will be sufficient to meet future obligations, the actuarial funding status needs to be calculated. An actuarial valuation is similar to an inventory process. On the valuation date, the assets available for the payment of retirement benefits are appraised, with gains and losses over the previous five years smoothed to avoid significant swings in the value of assets from one year to the next. These assets are compared to

the actuarial accrued liabilities, which are the actuarial present value of future benefits (attributable to service already earned) expected to be paid for each member.

The purpose of the valuation is to determine what future contributions by the members and by the employers are needed to pay all expected future benefits.

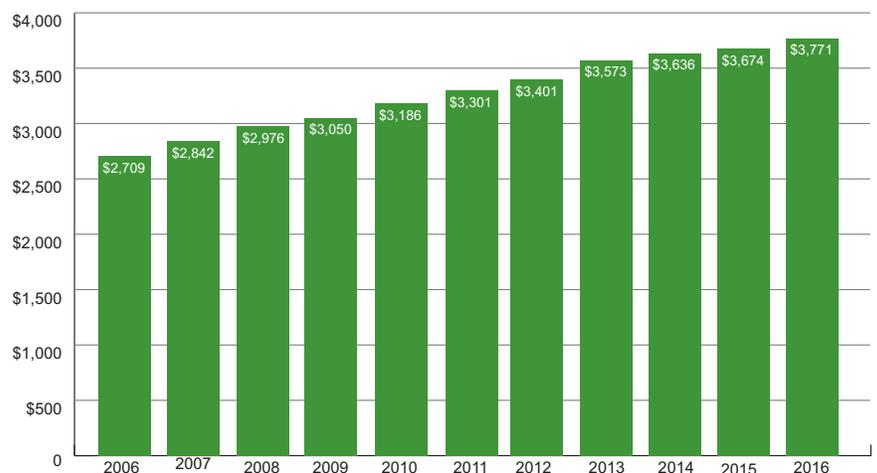
MEMBERSHIP

CCCERA's membership consists of full and part-time employees, members who have left service and have deferred their receipt of retirement benefits, and retirees and their beneficiaries from Contra Costa County and participating agencies. CCCERA's total membership as of December 31, 2017 is 22,525.



AVERAGE BENEFIT PAYMENTS

The chart (right) is a broad representation of average benefits paid monthly over 10 years to retirees and survivors. Both general and safety member figures are combined in this calculation, as are all tiers. The chart includes all members who have retired through December 31, 2016.



AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to CCCERA for its PAFR for the fiscal year ended December 31, 2016. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports. In order to receive this award, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. The award is valid for a period of one year only. CCCERA has received this award for the last eight consecutive years since fiscal year ended 2009. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and will submit it to the GFOA.

The GFOA has also awarded CCCERA its 17th Certificate of Achievement for Excellence in Financial Reporting Award for its CAFR for every year from 2000 through 2016. This is a prestigious national award



recognizing conformance with the highest standards for preparation of state and local government reports.

CCCERA has also earned the Public Pension Coordinating Council's (PPCC) Public Standards Award for 1998, 2000, and 2003 through 2017. The award is intended to reflect minimum expectations for public retirement system management and administration, and to serve as a benchmark by which all defined benefit public plans should be measured.

2017 BOARD OF RETIREMENT (As of December 31, 2017)

Todd Smithey *Chairperson*
Scott W. Gordon *Vice-Chairperson*
David J. MacDonald *Secretary*
Jerry Telles
John B. Phillips
Jerry R. Holcombe

Candace Andersen
William Pigeon
Russell V. Watts *County Treasurer*
Louie Kroll *(Retiree Alternate)*
Jay Kwon *(Appointed Alternate)*
Gabriel Rodrigues *(Safety Alternate)*

MORE ABOUT CCCERA

CCCERA's website, cccera.org, provides resources for members, employers and the public. It features forms, handbooks, policies, a calculator to estimate retirement benefits, and more.



PRESORTED STANDARD
U.S. POSTAGE
PAID
OAKLAND, CA
PERMIT # 3729

1355 Willow Way, Suite 221, Concord, CA 94520
Phone: (925) 521-3960 Fax: (925) 521-3969
cccera.org

2017

Popular Annual Financial Report
for the Year Ended December 31, 2017

CCCERA's mission is to administer pension benefits earned by our members and to be prudent stewards of plan assets.

CCCERA PARTICIPATING AGENCIES

- Contra Costa County
- Bethel Island Municipal Improvement District
- Byron-Brentwood-Knightesen Union Cemetery
- Central Contra Costa Sanitary District
- Contra Costa County Employees' Retirement Association
- Contra Costa Housing Authority
- Contra Costa Mosquito and Vector Control District
- First 5 – Children & Families Commission
- In-Home Supportive Services Authority (IHSS)
- Local Agency Formation Commission (LAFCO)
- Rodeo Sanitary District
- Superior Court of California, County of Contra Costa
- Contra Costa Fire Protection District
- East Contra Costa Fire Protection District
- Moraga-Orinda Fire District
- Rodeo-Hercules Fire Protection District
- San Ramon Valley Fire Protection District



AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
July 25, 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. Approve minutes from the June 27, 2018 meeting.

CLOSED SESSION

4. The Board will go into closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer's recommendation regarding the disability application for Rebecca Halvorson.
5. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer's recommendation regarding the disability application for Leslie Pounds.

OPEN SESSION

6. Appoint Audit Committee Members.
7. Update from Chief Investment Officer on Asset Allocation Communications.
8. Consider and take possible action to:
 - a. Adopt Board of Retirement Resolution 2018-3 to adjust the salary of the Chief Executive Officer.
 - b. Amend the Board of Retirement Resolution 2018-1 for Salary and Benefits for Unrepresented Employees to adjust the management administrative leave of the Chief Executive Officer.
9. Consider and take possible action to adopt the CCCERA Position Pay Schedules effective July 1, 2018.

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.

10. Consider authorizing the attendance of Board:
 - a. Board Audit Committee Compliance Conference, Society of Corporate Compliance and Ethics, September 24-25, 2018, Scottsdale, AZ.
 - b. 2018 StepStone Investor Dinner & Conference, October 10-11, 2018, New York, NY. (Note: Conflict with Meeting)
 - c. 2018 Torchlight Investment Summit, October 16-17, 2018, New York, NY.

11. 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.

CALAFCO Daily Legislative Report as of Wednesday, August 01, 2018

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

August 8, 2018
Agenda Item 13a

Current Text: Amended: 6/11/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 6/11/2018

Status: 6/28/2018-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 27). Re-referred to Com. on APPR.

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

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

This bill 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.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

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); and ensuring codification of the appropriate protest process.

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

Current Text: Amended: 6/12/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 6/12/2018

Status: 6/20/2018-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (June 20). Re-referred to Com. on APPR.

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

1st House	2nd House	Conc.
-----------	-----------	-------

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)
 SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act 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, per capita assessed valuation and the proposal's consistency with city or county general and specific plans This bill would require the commission to consider the assessed valuation rather than per capita assessed valuation.

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: 7/2/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 7/2/2018

Status: 7/2/2018-Read second time and amended. Re-referred to Com. on APPR.

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.

Amendments taken in Senate Governance & Finance and Natural Resources & Water will narrow the scope of the bill to focus on service providers serving disadvantaged communities; will require LAFCo pay back grant funds in their entirety if the study is not completed within two years; and require the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

Other amendments pending are clarifying the language in section (4) regarding inactive districts and changing the protest thresholds to mirror elections code 11221 so that they are a sliding scale.

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

Current Text: Amended: 6/26/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 6/26/2018

Status: 7/5/2018-Read third time. Passed. Ordered to the Assembly. In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 3 pursuant to Assembly Rule 77.

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

Summary:

Current law authorizes proceedings for the formation of a regional park, park and open-space, or open-space district to be initiated pursuant to a petition signed by at least 5,000 electors residing within the proposed district territory and presented to the county board of supervisors, as specified. Existing law also authorizes proceedings for district formation in specified counties to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill would, in lieu of the petition described above, 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.

Attachments:

[CALAFCO Support_March 2018](#)

Position: Support

CALAFCO Comments: This bill would expand the process of initiating the formation of a regional park 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: Chaptered: 7/9/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Last Amended: 5/17/2018

Status: 7/9/2018-Approved by the Governor. Chaptered by Secretary of State - Chapter 86, Statutes of 2018.

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

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:

- [Request Governor Signature_June 2018](#)
- [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: 7/2/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Last Amended: 7/2/2018

Status: 7/2/2018-Read second time and amended. Re-referred to Com. on APPR.

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

Summary:

The Porter-Cologne Water Quality Control Act requires each California regional water quality control board to adopt water quality control plans and to establish water quality objectives in those plans, considering certain factors, to ensure the reasonable protection of beneficial uses and the prevention of nuisance. This bill would authorize the regional 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 regional 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: 6/27/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Last Amended: 6/27/2018

Status: 6/27/2018-Read second time and amended. Re-referred to Com. on APPR.

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

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, PORTANTINO, Chair

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 1577 (Gipson D) California Safe Drinking Water Act: Sativa-Los Angeles County Water District.

Current Text: Amended: 6/27/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 6/27/2018

Status: 6/27/2018-Read second time and amended. Re-referred to Com. on APPR.

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

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)
 SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state board to order a designated public water system to accept managerial and administrative services without first making a finding that consolidation or extension of service is not appropriate or not technically and economically feasible if the state board finds that an emergency circumstance exists to warrant immediate action to protect the public health.

Attachments:

[CALAFCO Support Letter June 2018](#)

Position: Support

Subject: Disincorporation/dissolution, Water

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

Current Text: Amended: 7/3/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Last Amended: 7/3/2018

Status: 7/3/2018-Read second time and amended. Ordered to third reading.

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](#) ([Aguiar-Curry D](#)) **Health care districts.**

Current Text: Amended: 6/25/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 6/25/2018

Status: 6/25/2018-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

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

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)
 SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district. Current law requires the board of directors to establish and maintain an Internet Web site that may include specified information, such as a list of current board members and recipients of grant funding or assistance provided by the district, if any, and to adopt annual policies for providing assistance or grant funding, as specified. This bill would require the board of directors to include specified information, such as the district's policy for providing assistance or grant funding, on the district's Internet Web site.

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: 7/2/2018-Read second time. Ordered to third reading.

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: 7/2/2018-Read second time. Ordered to Consent Calendar. From Consent Calendar. Ordered to third reading.

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

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: 7/5/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 7/5/2018

Status: 7/5/2018-Read second time and amended. Ordered to third reading. Re-referred to Com. on APPR.

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

Calendar:

8/6/2018 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

This bill would authorize the City of El Monte, the City of Montebello, and the City of Willows, until January 1, 2022, to sell its public utility for furnishing water service 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. This bill contains other related provisions.

Position: Watch
Subject: Water

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

Current Text: Chaptered: 7/18/2018 [html](#) [pdf](#)

Introduced: 2/16/2017

Last Amended: 1/3/2018

Status: 7/18/2018-Approved by the Governor. Chaptered by Secretary of State. Chapter 133, Statutes of 2018.

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

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: State audit.

Current Text: Amended: 6/26/2018 [html](#) [pdf](#)

Introduced: 2/17/2017

Last Amended: 6/26/2018

Status: 6/28/2018-Re-referred to Com. on APPR. pursuant to Assembly Rule 96.

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

Summary:

Current law requires the county auditor to either perform an audit, or contract with a certified public accountant or public accountant to perform an audit, of the accounts and records of every special district within the county, as specified. Current law authorizes a special district, by unanimous request of its governing board and unanimous approval by the board of supervisors, to replace the annual audit with an audit over a longer period of time or with a financial review, as specified. This bill would require, by August 1, 2019, the California State Auditor to complete an audit of the Fallen Leaf Lake Community Services District that includes, among other things, an analysis of the district's financial condition and ongoing financial viability.

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: 7/2/2018-From consent calendar on motion of Assembly Member Calderon.

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

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: 6/19/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Last Amended: 6/19/2018

Status: 6/28/2018-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (June 27). Re-referred to Com. on APPR.

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: 24

Total Tracking Forms: 24

8/1/2018 9:18:49 AM

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – August 8, 2018**

August 8, 2018
Agenda Item 13b

LAFCO APPLICATION	RECEIVED	STATUS
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 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. 17-13 - Dissolution of Los Medanos Community Healthcare District	Nov 2017	Pending
LAFCO No. 18-11 – Spinnaker Cove Waterline Extension Annexation to Contra Costa Water District	July 2018	Under review

Antioch: Dueling open-space initiatives go before council



Antioch: Dueling open-space initiatives go before council

By [Judith Prieve](mailto:jprieve@bayareanewsgroup.com) | jprieve@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: July 11, 2018 at 4:38 pm | UPDATED: **July 12, 2018** at 4:48 am

Backers of competing initiatives to preserve all or part of Antioch's Sand Creek Focus Area open space have collected enough signatures to qualify both proposals for the November ballot.

The proposals will be presented July 24 to the City Council, which could decide to adopt one and prepare the other for the ballot, prepare both for the ballot or request a staff report detailing each initiative's impact, according to City Clerk Arne Simonsen. If it seeks a staff analysis, the council could miss the Aug. 10 deadline for placing the initiatives on the Nov. 6 ballot; in that case, the earliest the proposals could get on a ballot would be November 2020.

Both initiatives would focus on saving open space between Black Diamond Mines and Deer Valley Road, as two developments east of Deer Valley Road — the Aviano Farms project and the Promenade/Vineyards at Sand Creek — have already been approved. The land is in Antioch's Sand Creek Focus Area — 2,712 acres of rolling hills and flat lands on the city's southern border where cattle have traditionally grazed.

The initiative with the most signatures, “[Let Antioch Voters Decide](#),” was driven by a coalition of residents and conservation groups who fear a major housing development would lead to more crime and traffic congestion and further strain schools. They want 1,850 acres west of Deer Valley Road designated as rural residential, agricultural and open space.

Under “Let Antioch Voters Decide,” any changes to the city’s growth limit line or any major development plans would require voter approval. The initiative, backed by Save Mount Diablo, the Greenbelt Alliance, the Sierra Club and the California Native Plant Society, garnered 5,682 verified signatures — 5,094 were required. The collection of signatures ended in early June, well ahead of an Aug. 22 deadline.

“I think it shows the tremendous amount of support from the community,” Seth Adams, Save Mount Diablo’s land conservation director, said of the successful drive. “The developer (of The Ranch) started doing a competing initiative, which confused people, but on the other hand, the developer used the same message, which was decrease and control growth in Antioch, so the messages reinforced each other.”

Adams said his group hopes the City Council will adopt the “Let Voters Decide” initiative outright later this month to save what he calls “the prettiest three miles in Antioch — Empire Mine Road and the Sand Creek (Focus) area.”

“It would save the cost of an election,” he said. “There’s a pretty strong sign where the residents of Antioch are with this. They want to see controlled growth.”



Area affected by the initiative is outlined in red. Green areas would be zoned for rural residential, agricultural and open space purposes. The Ranch project area is outlined in yellow and would be single-family homes, executive estate housing, senior housing and commercial uses. (Photo courtesy of Gene Endicott of Endicott Communications)

A second initiative, “West Sand Creek Open Space Protection,” would zone 1,244 acres west of Deer Valley Road for rural residential, agricultural and open space. The remaining land in the

western portion of the Sand Creek Focus Area — approximately 608 acres — would be open for [“The Ranch,”](#) which will include 1,177 homes.

Resident Terry Ramus, a Chamber of Commerce board director and member of the chamber’s Government Affairs Committee, introduced the second initiative, which Richland Communities, developer of The Ranch project, has backed. Former Councilman Manny Soliz Jr. and Matthew Malyemezian co-signed it.

The West Sand Creek Protection Initiative backers collected 5,156 signatures, 45 more than needed. The initiative would allow development only on the lower lying portion of Sand Creek, maintaining The Ranch development rights but rezoning to open space the proposed Zeka development to the west. The current General Plan allows [up to 4,000 homes](#) to be built throughout the Sand Creek Focus Area.

“Our initiative, which qualified with the support of thousands of Antioch residents, is a model project that restricts development while strongly protecting open space, hillsides, trees and providing recreational trails,” Ramus said.

Ramus also noted that under the West Sand Creek Protection Initiative, Richland Communities would commit to paying a minimum of \$1.2 million to upgrade the sports complex at Deer Valley High School and to including an age-restricted, active-adult community in its mix of low- and medium-density single-family homes.

If both initiatives make the ballot, the one with the most votes would be passed back to the council, which would then be tasked with implementing it.

Read more about the “Let Antioch Voters Decide” initiative at letantiochvotersdecide.org

Learn about the West Sand Creek Open Space Protection initiative at docdro.id/qiq4T9i

Staff writer Aaron Davis contributed to this report.

Danville CA Patch.com

Contra Costa County Accused Of Rigging Ambulance Bids

Officials say allegations unjustified and state action will have no immediate impact on response to 911 calls.

By [Bob Porterfield, Patch Staff](#) | Jul 18, 2018 1:18 pm ET | Updated **Jul 18, 2018** 1:22 pm ET

CONTRA COSTA COUNTY, CA — For nearly three years, 911 emergency ambulance service in the Contra Costa County Fire Protection District has been provided by a unique public-private partnership that's improved performance and generated millions in revenue used to defray firefighting costs.

But recent allegations by an obscure state agency, the California Emergency Medical Services Authority (CEMSA), that ConFire colluded with the county's local Emergency Medical Services Agency to rig bidding on contracts underlying the partnership has ignited a legal catfight bringing into question just how much power a state regulatory agency has to dictate local contracting practices.

The issues involved are almost as complex as the state's emergency medical infrastructure itself as few average citizens understand the intricate mechanics set in motion when they call for help after an accident or other mishap. How the Contra Costa dispute is resolved could have lasting impact on the cost, quality and delivery of future 911 ambulance service for many Californians as other counties consider similar arrangements.

CEMSA accused Contra Costa officials of engaging in anti-competitive behavior by conspiring to manipulate the bidding process for an emergency ambulance service contract and further claimed county Supervisors had a conflict of interest when they voted to approve it.

As a result, CEMSA invalidated bid documents it had approved in 2015, rescinded its approval of the county's 2016 EMS plan and abolished the Exclusive Operating Areas in which the contracted ambulance service is provided. The county says CEMSA overreached, and its actions were an abuse of discretion and exceeded its jurisdictional authority, raising legal questions, not the least of which are whether the state agency actually has the authority to retroactively cancel procedures it previously approved and can arbitrarily nullify exclusive operating zones.

CEMSA's actions also raise questions about how much influence a private trade group may have exerted on the Authority to pursue its allegations at a time the issue of public-private ambulance partnerships was being argued in an Alameda Superior Courtroom, and why CEMSA waited nearly two years before launching what public documents suggest was nothing more than a superficial examination.

Timothy Ewell, Contra Costa's deputy chief county administrator, said the county doesn't comment on potential litigation, but confirmed an April letter from CEMSA to Patricia Frost, director of the county EMS Agency, was the first notice of state action received by the county.

"When the State EMSA denies any portion of a local EMS plan, the entire plan is effectively denied," Ewell said, adding there will be no immediate impact on emergency medical response when residents dial 911 for help because [CEMSA](#) suspended its action until 2020.

A Simple Concept

Contra Costa's "alliance model" is a simple concept: Instead of the county EMS Agency contracting directly with a private ambulance company, it contracts with ConFire to provide emergency ambulance service. ConFire in turn subcontracts the service to a company that can provide ambulance vehicles and staff to answer 911 calls.

The Contra Costa model is composed of three separate five-year contracts: A prime contract between [ConFire](#) and the county EMS Agency; a \$200 million subcontract between ConFire and American Medical Response West, Inc. (AMR) which had already been providing emergency ambulance service in the county for more than a decade, and a third, \$8.5 million contract with Advanced Data Processing, Inc. of Florida to handle billing for both emergency and non-emergency ambulance services.

This approach to providing ambulance service in an area covering about 654 square miles stretching from San Francisco Bay to the borders of San Joaquin and Sacramento Counties differs from practices common in most other California counties. By contracting with ConFire, the county's EMS Agency delegates to fire officials the responsibility for ensuring its subcontractor meets performance standards established by county ordinance and Agency rules.

With ConFire personnel being dispatched to most incidents requiring ambulance response, the theory goes, the department is better able to determine if consumers of emergency healthcare are being served efficiently. At the core of ConFire's ambulance service are Exclusive Operating Areas, geographical regions containing large rural tracts. By granting just one ambulance provider the sole right to operate in these areas, this company is protected from competition in the more profitable urban segments of the exclusive zones in return for being required to provide the same quality of service to residents of the unprofitable sparsely populated portions. Creation of these monopoly zones was permitted by a 1984 amendment to state law.

Under its subcontract AMR provides 911 ambulance service within four zones encompassing about 81 percent of the county. Emergency ambulance service in remaining areas is provided by the Moraga-Orinda and San Ramon Valley Fire Protection Districts, which operate their own ambulances under separate contracts with the county.

In addition, the county has First Responder Agreements with six other fire departments – Crockett-Carquinez, East Contra Costa, El Cerrito, Pinole, Richmond and Rodeo-Hercules – to provide medical care until an AMR ambulance arrives, or the patient refuses transportation. Six

companies, including AMR, are authorized to provide non-emergency transport throughout the county.

Contra Costa's alliance was the first of its kind in the state and in 30 months of operation ambulance response times have improved. Last year ambulances responding with red lights and sirens to 60,920 potentially life-threatening situations arrived at the scene within the maximum time allowed under the contract on 95.6 percent of the calls. In some cases response times exceeded 98 percent.

'Public Benefit' Profit

At the same time, the alliance has poured millions of dollars into ConFire's Special Revenue Fund instead of a private company's bank account. In 2017, the ConFire's ambulance operation generated \$47.3 million from charges for services, producing an operating profit of \$15.4 million.

This "public benefit" profit – the difference between what ConFire charges for ambulance service and what it pays AMR to provide it — was used to make the \$13.2 million annual debt service payment on ConFire's Pension Obligation Bonds, money that normally would have come from the \$110.2 million in property tax revenue that provides ConFire's major source of funding. The remaining \$1.3 million went to the ConFire's EMS Transport Fund.

AMR bills ConFire an "Ambulance Unit Hour Rate" for every ambulance and crew available for emergency call response. The rates range from \$130.51 to \$139.64 an hour depending upon the number of hours. For example, if AMR had 27 fully-staffed ambulances available 24 hours a day the company would charge ConFire \$139.64 per hour for each unit, a total of \$633,407 per week for the 4,536 hours ambulances were on duty, or about \$23,460 per ambulance.

Of course there's a downside for AMR. If the company doesn't meet performance requirements it must pay penalties ranging from a few hundred dollars for paperwork errors to \$1,500 every time an ambulance fails to arrive at the scene of top priority calls within the contract's maximum allowed response times. Last year, ConFire reported 2,774 AMR penalty responses of one kind or another, about 4.5 percent of total top priority calls. Of those penalty responses, only 139 exceeded the maximum allowed response time.

For those dialing 911, a ride to the hospital isn't cheap. Rates reflect the actual cost of providing around-the-clock service. ConFire's base rate is \$2,245.40 with additional charges of \$53.56 per mile for distances in which a patient is aboard, \$187.46 for administering oxygen and \$481 if a patient is treated at the scene but refuses transportation. These rates are reviewed annually using a formula of economic indicators.

Base rates charged by the San Ramon Valley and Moraga-Orinda fire departments are slightly higher, although ancillary charges are less than the county's, with the exception of a \$600 First Responder Fee for initial medical care at the scene. Last year the San Ramon Valley fire district reported \$4 million in ambulance revenue; Moraga-Orinda \$1.1 million.

Ambulance and other emergency medical costs are covered, at least in part, by Medicare, Medi-Cal or private insurance. In 2017, about 70 percent of ConFire reimbursements were made by Medicare or Medi-Cal with the remainder from private insurance or individuals who picked up the tab themselves.

What the County Did

Fire departments and emergency ambulances have always enjoyed a symbiotic relationship. Generally the first on the scene of a fire or accident, fire crews include an Emergency Medical Technician (EMT) or Paramedic who stabilize injured parties until an ambulance arrives to further treat patients and transport them to nearby hospitals.

In Contra Costa, having to provide this obligatory service was just one of more than a dozen public health programs managed by the EMS Agency, a division of the county's Health Services Department, making the concept of a ConFire public-private partnership attractive.

With its existing ambulance contract set to expire in 2015, the EMS Agency hired Fitch & Associates, a Missouri consulting firm, to conduct a comprehensive study of the county's EMS system and suggest ways it could be modernized. Among nearly 80 recommendations encompassing virtually all aspects of county healthcare delivery contained in the firm's June 2014 report, Fitch recommended consolidating emergency dispatch services and concluded there would be no issues if ConFire was allowed to compete for providing emergency ambulance service.

Fitch's findings prompted ConFire to engage another Missouri consulting firm, the Ludwig Group, to assess the financial viability of operating its own emergency ambulance service. That study determined a ConFire operation would not only be cost effective, but could ultimately generate operating profits exceeding \$7.5 million annually.

Anticipating an EMS solicitation for ambulance service providers, on Sept. 9, 2014 fire district directors gave ConFire permission to submit an alliance proposal when bids were advertised. Five days later the county conducted a workshop to develop parameters for a new contract and the process by which it would be awarded. That meeting drew 47 attendees representing local government, law enforcement, fire departments, labor unions and medical organizations along with seven executives from four ambulance companies.

A Parallel Process

On Feb. 16, 2015 ConFire, with the assistance of an outside consulting firm, issued a Request for Qualifications – a solicitation significantly different than a Request for Proposals – seeking companies willing to partner with ConFire that could qualify to provide services required by the EMS Agency. Only two companies responded: American Medical Response West, Inc. and Falck Northern California.

AMR was the existing emergency ambulance provider and had been operating in that capacity for several years under an EMS Agency contract. Formerly a unit of the Envision Healthcare

Corporation, a publicly-traded \$16.5 billion conglomerate operating hospitals, other medical facilities and physician staffing services, AMR is now part of Global Medical Response, Inc., a company formed in March when AMR combined with Air Medical Group Holdings, in a further consolidation of the US medical transportation industry. At the time, AMR was the largest ambulance company in America, operating in 40 states.

Falck Northern California is a subsidiary of Orange County-based Falck USA, which in turn is owned by Falck A/S a privately-held Danish multinational ambulance and healthcare company controlled in part by the KIRKBI group, an investment company run by Denmark's Kristiansen family, creators of the popular LEGO toys, and through a separate company, operators of LEGOLAND amusement parks. Falck USA operates 22 US ambulance companies and last year generated \$196 million in revenues, about 15 percent of the parent company's worldwide ambulance income.

Following two rounds of evaluation interviews, in March ConFire selected AMR and on May 12 fire district directors approved a Pre-Award Agreement outlining the terms of a subcontract with AMR if, in fact, ConFire was successful in obtaining the county contract.

In a parallel and nearly simultaneous process, on Feb. 27 the county EMS Agency issued its formal Request for Proposals to provide emergency ambulance service, initiating a convoluted selection process that would consume nearly a year before any contract was awarded, and set the stage for the current dispute.

On March 19, the EMS Agency conducted a prospective bidder's conference attended by just three companies – AMR, Falck and Medic Ambulance, the emergency provider in Solano County. Ultimately, only ConFire and Falck submitted proposals by the May 21 deadline and two months later after evaluation by outside experts and an independent financial review by the county administrator's office, supervisors authorized the EMS Agency to negotiate a contract with ConFire. In August, the county announced its intention to award ConFire the contract and supervisors formally approved the agreement Nov. 17.

An Unhappy Industry

None of this set well with the California Ambulance Association (CAA), a non-profit trade and lobbying group whose members include several private ambulance companies, insurance companies, medical billing and collection agencies and consulting firms. CAA executive director Ross Elliott, a former Kern County official, owns a private company, Trilogy EMS Consulting LLC, which is paid to manage the organization.

In April 2016, four months after the ambulance contract became effective, and eight months past the deadline for unsuccessful bidders to protest the contract award, the CAA filed a complaint with CEMSA requesting an investigation of Contra Costa's selection process saying it was "nothing more than a sham to satisfy [CEMSA] RFP process standards" because the selection of an ambulance company had already been made on the basis of what "appears to be financial gain," something the CAA said might violate state law, "anti-trust parameters and possibly violate a private company's ability to engage in free trade."

Further, the CAA suggested a conflict of interest existed since county supervisors, who also serve as the fire district's board of directors, were the same people approving both ConFire's subcontract with AMR and the county EMS Agency's contract with ConFire.

"The action by the county to bypass EMSA's oversight of competitive processes for selection of Exclusive Operating Area providers is unprecedented, and these actions have the potential to alter EOA selection processes statewide," said the CAA.

Elliott told Patch the value of his organization "is that it can be used as a spokesman for members who believed they have been wronged," but declined to identify the member making the complaint, and said the delay in contacting CEMSA was because "CAA didn't realize the extent of the problem until after the fact."

"The damage was already done. In Contra Costa County the horse is out of the barn," Elliott said, "and CAA's concern in filing the complaint was whether this was going to be happening in other parts of the state. The CAA's position is to ensure whatever process is used provides for fair competition and gives everybody a chance to compete."

"What the county did through a two-step process was something that should have been done by the [county] EMS Agency. That's how you select a contractor," he said. Elliott conceded CEMSA authority to review and approve the fire department's separate RFQ was a "gray area" but maintained the process used circumvented state authority."

State Slow to Act

The CAA's complaint apparently languished in CEMSA's Rancho Cordova headquarters until last Jan. 8 when the Authority submitted a Public Records request for county documents related to the EMS Agency's RFP. The county responded a month later with scores of documents. In April the CEMSA notified the county of its decision.

Citing the CAA's two-year-old grievance, CEMSA said it had conducted an "investigation" of the county's contracting process and determined collusion between the EMS Agency, ConFire and AMR had "stifled competition due to bid rigging and was anti-competitive due to other factors related to the bid," alleging AMR "agreed in advance not to compete against ConFire for the EMS [Agency] contract," and challenging the Pre-Award Agreement.

CEMSA further asserted the bid rigging was compounded when county supervisors, who were also directors of the fire district, in essence awarded the contract to themselves "creating a situation that has a chilling effect on all other competition."

Just how extensive CEMSA's probe of the ConFire bidding was is unknown. CEMSA told Patch that despite what its letter to the county said, there really was no investigation, just a "review," of documents received from the Contra Costa EMS Agency.

"It wasn't an audit type situation where we provide them with our findings," a CEMSA spokesperson said in an email response to Patch questions. "We aren't required to, nor did we

provide them with an investigatory report." CEMSA said it conducted no interviews during the review.

A Quick Response

Thomas Geiger, an assistant county attorney representing the EMS Agency, quickly appealed the decision saying the allegations were baseless and the CEMSA had both abused its discretion and exceeded its authority by retroactively rescinding approval of the county's RFP, because CEMSA's power is limited only "to reviewing and approving a local EMS agency's competitive process" and CEMSA has no authority to create, manage or abolish Exclusive Operating Areas.

Geiger said allegations of collusion were unjustified because the contract with AMR was a "legitimate, publicly disclosed joint partnership" lawfully created through bidding activities subject to public meetings and conducted in a fully transparent manner.

Suggesting CEMSA's action itself was a politically-motivated sham, Geiger wrote: "CEMSA's decision was improperly influenced by non-governmental organizations, including the California Ambulance Association. CEMSA relied on unfounded allegations made by the [CAA] and did not conduct an independent, complete investigation into the facts and circumstances surrounding this matter before issuing its decision."

What could be most troublesome for CEMSA as the county's appeal wends its way through the administrative law process, and later, possibly the courts, was Geiger's assertion the state Authority had erroneously relied upon its own guidelines in reaching its decision, saying "CEMSA Guidelines are improper underground regulations that do not have the force of law, because they have not been approved under the California Administrative Procedure Act," the state law dictating how regulations must be implemented.

Limits of Power

Created in 1980, CEMSA is a division of the California Health & Welfare Agency that coordinates and integrates all emergency medical services through a wide range of statewide standards and guidelines for emergency and disaster medical care that includes some oversight of local EMS agencies.

Among its primary responsibilities, CEMSA establishes standards for training of Emergency Medical Technicians and Paramedics and administers testing for their certification and recertification. The Authority also sets the minimum CPR and first-aid training and certification standards for firefighters, police officers, lifeguards and school bus drivers, and coordinates the state trauma system and California Poison Control System.

As the foundation of California's two-tiered EMS infrastructure, state law requires CEMSA to develop planning and implementation guidelines for EMS systems that cover not only training, communications and emergency ambulance transportation but responsibility for assessing local EMS system organization, management and operation along with evaluation of hospitals and critical care centers.

One of these tasks is the review and approval of local EMS agencies' formal or updated emergency medical services plans. As the second tier in the statewide system, local agencies must outline their readiness and ability to manage emergencies including a mandatory requirement for providing transportation of emergency medical patients.

Whatever authority CEMSA may have where local emergency ambulance service is concerned is found in the massive state Health & Welfare Code, which regulates every aspect of California emergency medical care, and authorizes each county to independently develop its own EMS program.

That law was amended in 1984 permitting county EMS agencies to create Exclusive Operating Areas as part of local plans required to be submitted annually for CEMSA for review and approval. These plans were to contain descriptions of how competition would be conducted in selecting exclusive ambulance operators.

In reaching its Contra Costa decision, CEMSA relied heavily on this requirement, citing its own Guideline 141, a nine-page document outlining how RFPs must be constructed and the bidding process managed.

However, nowhere in this guideline does CEMSA claim any authority to rewrite or dictate the wording of an RFP, and nowhere does it claim an RFQ, such as that utilized by ConFire, must be submitted for approval, only that the competitive process must comply with generally accepted public bidding practices. Nothing in the guideline, or the law, appear to give CEMSA any power to rescind an RFP once it's been approved.

Another section of the law requires that all of CEMSA's own "regulations, standards and guidelines" must be approved by the state Commission on Emergency Medical Services, an 18-member body appointed by the governor and legislature that includes healthcare professionals, law enforcement officers and fire officials. Records of the Commission's official actions in approving the CEMSA's original 1985 emergency ambulance contracting guidelines are missing from the State Archives and minutes of Commission meetings in 1997, when CEMSA issued a re-worded Guideline 141, contain no discussion or approval of the updated document.

In fact, CEMSA concedes its guidelines are just that, simple advice to local EMS agencies.

"While the guidelines do not have the same weight or authority as [state law] or regulations, they are important directions that a local EMS agency should consult when planning and implementing their system," a CEMSA spokesperson told Patch.

Napa Valley Register

Napa stemming wine waste trucking flow to Oakland

- [BARRY EBERLING beberling@napanews.com](mailto:beberling@napanews.com)
- Jul 21, 2018 Updated **Jul 21, 2018**



The Napa Sanitation District treatment plant sits along the Napa River on Soscol Ferry Road in South Napa. Napa Valley wineries are currently trucking wastewater to East Bay MUD in Oakland, because NSD is too expensive to discharge to and cannot accept that much high density waste.

Napa County is gradually breaking its habit of trucking millions of gallons of wine wastewater annually to the East Bay Municipal Utility District plant in Oakland, instead putting some of that previously unwanted substance to good use locally.

Napa Recycling & Waste Services has found that elusive winery wastewater win-win at its composting facility.

At least some of those trucks are now exiting Highway 29 at the airport industrial area near American Canyon and heading to the Napa Recycling & Waste Services yard. There, the wastewater is used for dust mitigation and moisture control to help turn the region's yard clippings into compost.

“Once the drought hit, we felt guilty about using domestic water, so we looked for alternative sources,” Napa Recycling & Waste Services General Manager Greg Kelley said.

The Napa Recycling & Waste Services program is keeping about 700 trucks annually off the road between the county and Oakland. This comes at a time when traffic and the county’s carbon footprint are local concerns.

Saintsbury winery in the Carneros region usually uses its own, onsite system to clean up wastewater containing such things as juice and plant matter. Like many wineries, it turns wine wastewater into irrigation water for vineyards.

But the winery is rebuilding that system and for now is trucking its wastewater to the Napa Recycling & Waste Services compost piles.

“I think the community’s concerns about sending water to East Bay MUD are legitimate,” Saintsbury co-founder David Graves said. “I would hope that as the word gets out among the waste haulers, that the East Bay MUD option basically just sort of goes away.”

Of course, Napa County has its own sewage treatment plants. But the Napa Sanitation District plant isn’t equipped to handle all of the hold-and-haul flow of wine wastewater, making the East Bay MUD plant the preferred option.

The wastewater from wineries is not toxic or dangerous, but it does contain yeasts, sugar and other nutrients that are difficult for a sewage-treatment plant to handle without special facilities, such as those built by East Bay MUD.

The NapaSan Board of Directors, which has looked at the issue for years, on Wednesday heard about the Napa Recycling & Waste Services program.

“This is a pretty elegant solution in providing options,” Board Member and Napa Mayor Jill Techel said.

But are there enough local options to stem the flow of trucks to East Bay MUD in Oakland to any large degree? A NapaSan report concludes that this is a possibility within a few years.

One hard-to-answer question has been how much winery wastewater is on the road. NapaSan’s latest estimates are that 48 county wineries and other facilities use hold-and-haul. They generate 21.5 million gallons annually of wine wastewater, with the waste hauled by 13 trucks daily.

Napa Recycling & Waste Services is using a few million gallons of winery wastewater annually for composting and isn’t looking for more customers. But it plans to expand its program.

By the end of 2019, the composting program could use 9.1 million to 12.6 million gallons, a NapaSan report said. Within five years, this could increase to between 13 million and 18 million gallons, depending on whether deliveries are made on weekends.

Meanwhile, NapaSan has a new pilot program for hold-and-haul winery wastewater. That could cover another 675,000 gallons annually.

Add those two options together and the possibility exists that much of the East Bay MUD truck traffic flow could be erased. But, as NapaSan officials pointed out, regional and market forces are also at play.

Presently, Napa Recycling & Waste Services is charging 3.5 cents to 5 cents per gallon for wine wastewater disposal, depending on quantity. That's similar to East Bay MUD, the NapaSan report said.

"I think taking those trucks off the road going to East Bay MUD is kind of a win for the Bay Area," said NapaSan Board Member and county Supervisor Ryan Gregory.

Napa County in 2015 considered banning all new wineries from using hold-and-haul for their wine wastewater, except on a temporary basis. The county Board of Supervisors in early 2016 decided not to take that action.

On June 20, the county Planning Commission allowed the planned Boyd Family Vineyards winery to use hold-and-haul. The other option was for the winery to remove 3 acres of vineyards to create room for a leach field so it could have an onsite system.

Though local options for winery wastewater hold-and-haul disposal means less trucks on the road for the Bay Area as a whole, those trucks are still on Napa County roads.

Gregory said he'd like to have wineries within the NapaSan service area pipe the wastewater to the NapaSan treatment plant. The service area in and near the city of Napa has 25 hold-and-haul facilities trucking 13.5 million gallons annually.

"That's a bigger part of the puzzle for me," he said.

NapaSan General Manager Tim Healy said the sewer bill for wine wastewater is expensive and that the wastewater can overwhelm the capacity of the treatment plant. The district encourages wineries to pretreat the waste, but that costs them money to install those systems.

East Bay Times

Bill to transfer Contra Costa Canal to water district advances



Construction of the main section of the Contra Costa Canal sometime between 1937 and 1948. (Contra Costa Water District)

By [Annie Sciacca](#) | asciacca@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: July 21, 2018 at 2:39 pm | UPDATED: **July 22, 2018** at 1:10 am

The decades-old concrete canal that brings water to half a million Contra Costa residents is damaged and dangerous, experts say, but a bill that proposes to fix it through an ownership transfer has cleared a hurdle.

Called the Contra Costa Canal Transfer Act, the bill written by Congressman Mark DeSaulnier, D-Concord, would transfer ownership of the canal system from the U.S. Bureau of Reclamation to the Contra Costa Water District, which is working on safety improvements to the canal. The bill unanimously passed out of the House's Natural Resources Committee on Wednesday.

“In order to streamline improvements to our aging canal system, the ownership of the Contra Costa Canal should be transferred from the federal government to the Contra Costa Water District,” DeSaulnier said in a news release issued jointly Wednesday by his office and the water district. “I am pleased that our effort to help upgrade the Contra Costa Canal and revitalize the

surrounding land for recreation, development, and the enjoyment of local residents is one step closer to becoming law.”

A companion bill, SB 3001, was introduced in the Senate last month by U.S. Senators Dianne Feinstein and Kamala Harris.

The water district has operated the system since 1972 and fully paid off the canal, the Shortcut Pipeline, two reservoirs and other facilities in 2010, according to a June district news release. Now it wants to get started on a project to replace a 26-mile stretch of the canal from the Rock Slough intake in Oakley to Clyde with a pipeline.

The currently open canal is a safety risk. According to the Contra Costa Water District, 81 people have died in the canal over its lifetime. It is also vulnerable to leaks and water evaporation, earthquakes, landslides and water degradation from algae or storm contamination.

The 48-mile canal was built between 1937 and 1948 as the first part of the federal Central Valley Project, a series of dams and canals planned to primarily deliver irrigation water to the Sacramento and San Joaquin valleys. It's also had to deliver water to the homes and businesses in central and eastern Contra Costa County that have grown since World War II.

Work on the canal has already been ongoing, with millions of dollars — including from grants and Proposition 84 — going toward replacing several segments. The new modernization project is estimated to cost upwards of \$500 million, said water district director of public affairs Jennifer Allen, and the district [would like to own the canal before investing that much money in its upgrades.](#)

Allen said the district expects customers would feel more comfortable with it owning the canal before investing hundreds of millions of dollars into it, too, especially considering the district has already paid off the canal and invested in its upgrades.

“The canal system is the backbone of the district’s delivery system and gaining title of the system is an important step for the future of this facility,” Constance Holdaway, vice president of the Contra Costa Water District’s board of directors, said in a news release.

Congressmen Mike Thompson, D-Napa, and Jerry McNerney, D-Stockton, are co-sponsors of the bill to transfer the canal, H.R. 6040. The bill will have to pass the House and then the Senate in the coming months to be signed into law.

East Bay Times

\$1 billion coming to Bay Area for two new dams

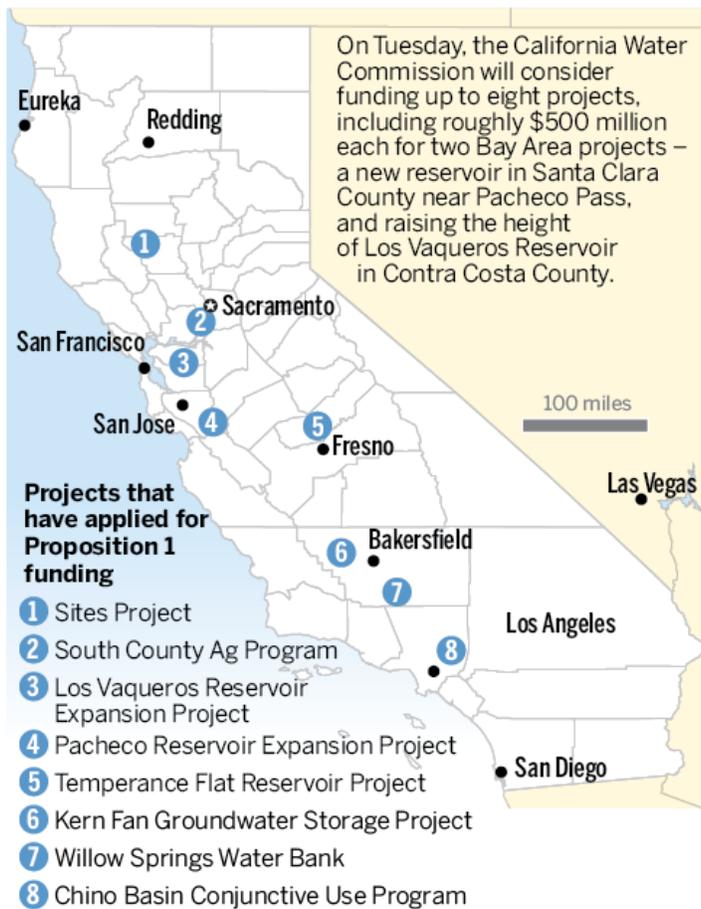
By [Paul Rogers](#) | progers@bayareanewsgroup.com |

PUBLISHED: July 23, 2018 at 6:00 am | UPDATED: **July 23, 2018** at 1:52 pm

During California's recent five-year drought, it was common to hear people asking why the state doesn't build more dams.

On Tuesday, flush with cash from voters, the administration of Gov. Jerry Brown is expected to finally do just that, committing nearly \$1 billion to build two huge dam projects in the Bay Area, and another \$1.5 billion for six more big water projects from the Sacramento Valley to Bakersfield.

WATER STORAGE INVESTMENT PROGRAM



Source: California Department of Water Resources BAY AREA NEWS GROUP

The California Water Commission, whose eight members are appointed by the governor, will likely vote to fund \$2.5 billion overall for the eight projects — four new dams and four groundwater storage proposals.

Among the proposed awards: \$485 million to the Santa Clara Valley Water District to construct a new 319-foot-tall dam at Pacheco Pass in rural southern Santa Clara County, and \$459 million to the Contra Costa Water District to raise the height of the dam at Los Vaqueros Reservoir in eastern Contra Costa County by 55 feet, increasing the lake's size by about 70 percent. The new funding would pay roughly half the cost of each project.

The money comes from Proposition 1, a state water bond approved by voters in November, 2014. It is believed to be the largest state commitment to build new dams in California since 1960, when Brown's father, former Gov. Pat Brown, was in office.

That year, the former governor convinced voters to pass a ballot measure with the same name, Proposition 1, which provided \$1.75 billion to construct Oroville Dam and much of the State Water Project.

But unlike that measure, which funded dams and concrete canals, this one was designed by state lawmakers to also include underground storage, where water is put into large aquifers in wet years and pumped out during dry years. Underground storage is often cheaper than new above-ground reservoirs, and comes without evaporation problems. It also avoids environmental battles that arise when new dams are proposed to block rivers, which can kill salmon, and other fish and wildlife.

Armando Quintero, chairman of the California Water Commission and a former national park ranger who also works as president of the Marin Municipal Water District Board, said the state needs to diversify the way it stores water.

“People think of reservoirs when they think of water storage. You can look at them and see them when they are full or empty,” he said. “Groundwater is abstract. But there is 25 times as much room in groundwater basins as in all the existing reservoirs in California.”

The bond includes \$7.5 billion for a range of water projects, including desalination, conservation, storm water capture, water recycling and storage. After Tuesday, roughly \$3.4 billion of the money will have been committed.

Last year, after the commission held dozens of meetings to write regulations creating a ranking system that would assign scores and cost-benefit ratios to issues from flood control to endangered species, 12 projects applied for the storage money.

Here are the final eight the commission will consider, with the amount of money its staff has recommended, ranked by their scores:

1) [Pacheco Reservoir Expansion](#): \$485 million. Total project cost: \$969 million. The Santa Clara Valley Water District would expand a small reservoir on Pacheco Creek, at Pacheco Pass, increasing its size from 6,000 acre-feet to 140,000 acre-feet. The new dam would be 319 feet tall. The district would take water it now stores in nearby San Luis Reservoir and pipe it into the new reservoir, filling it during wet years.

2) South County Ag Program: \$280 million. Total project cost: \$373 million. The Sacramento Regional County Sanitation District would provide up to 50,000 acre-feet of recycled waste water a year to farmers for irrigation, reducing groundwater pumping in Sacramento County.

3) [Los Vaqueros Reservoir Expansion](#): \$459 million. Total project cost \$980 million. The Contra Costa Water District would raise the height of the dam in eastern Contra Costa County by 55 feet to 273 feet high. That would expand the reservoir’s capacity from 160,000 acre-feet to 275,000 acre-feet, providing more water for Bay Area cities during droughts and some for wildlife refuges near Los Banos.

4) Temperance Flat Reservoir: \$171 million. Total project cost: \$2.6 billion. The project, proposed by cities, water agencies and counties in the San Joaquin Valley, would build a new dam on the San Joaquin river in the Sierra Nevada north of Sequoia-Kings Canyon National Park. The dam would be 665 feet high, the second tallest in California, and would store 1.2 million acre-feet of water.

5) Chino Basin Conjunctive Use Program: \$207 million. Total project cost: \$480 million. Proposed by the Inland Empire Utilities Agency, the project would build pipes, pumps and a treatment facility to put up to 15,000 acre-feet of recycled wastewater a year into a groundwater storage bank in San Bernardino County for use by local cities, businesses and farms.

6) Sites Reservoir: \$1 billion. Total project cost: \$5.2 billion. Officials from Glenn, Colusa and Sacramento counties and Sacramento Valley water agencies hope to build a massive new off-stream reservoir in Colusa County, filled with water piped from the Sacramento River. It would hold up to 1.8 million acre-feet, making it the seventh-largest reservoir in California.

7) Kern Fan Groundwater Storage Project: \$86 million. Total project cost: \$171 million. The Irvine Ranch Water District in Orange County and the Rosedale-Rio Bravo Water Storage District in Bakersfield are proposing to store up to 100,000 acre-feet of water in groundwater basins near Bakersfield in wet years and draw it out during droughts.

8) Willow Springs Water Bank: \$124 million. Total project cost: \$343 million. Expanding a groundwater bank 50 miles north of Los Angeles near Rosamond in Kern County would add 500,000 acre-feet of new storage. The project is also partly funded by private investors and CalPERS, the state's main public pension fund.

Getting approval Tuesday doesn't guarantee the projects will be built. The applicants have until Jan. 1, 2022 to come up with the rest of the money from increases in local water rates, federal grants or other sources. They must also obtain all permits, finish environmental studies, purchase land and secure water rights before the state will release its funding.

"They now have a better license to go hunt," said Jay Lund, director of the Center for Watershed Sciences at UC-Davis. "But there is still a lot of work to be done. Some of them probably will never get built."

Because there is a mix of traditional storage and underground storage, common water adversaries have found something to like.

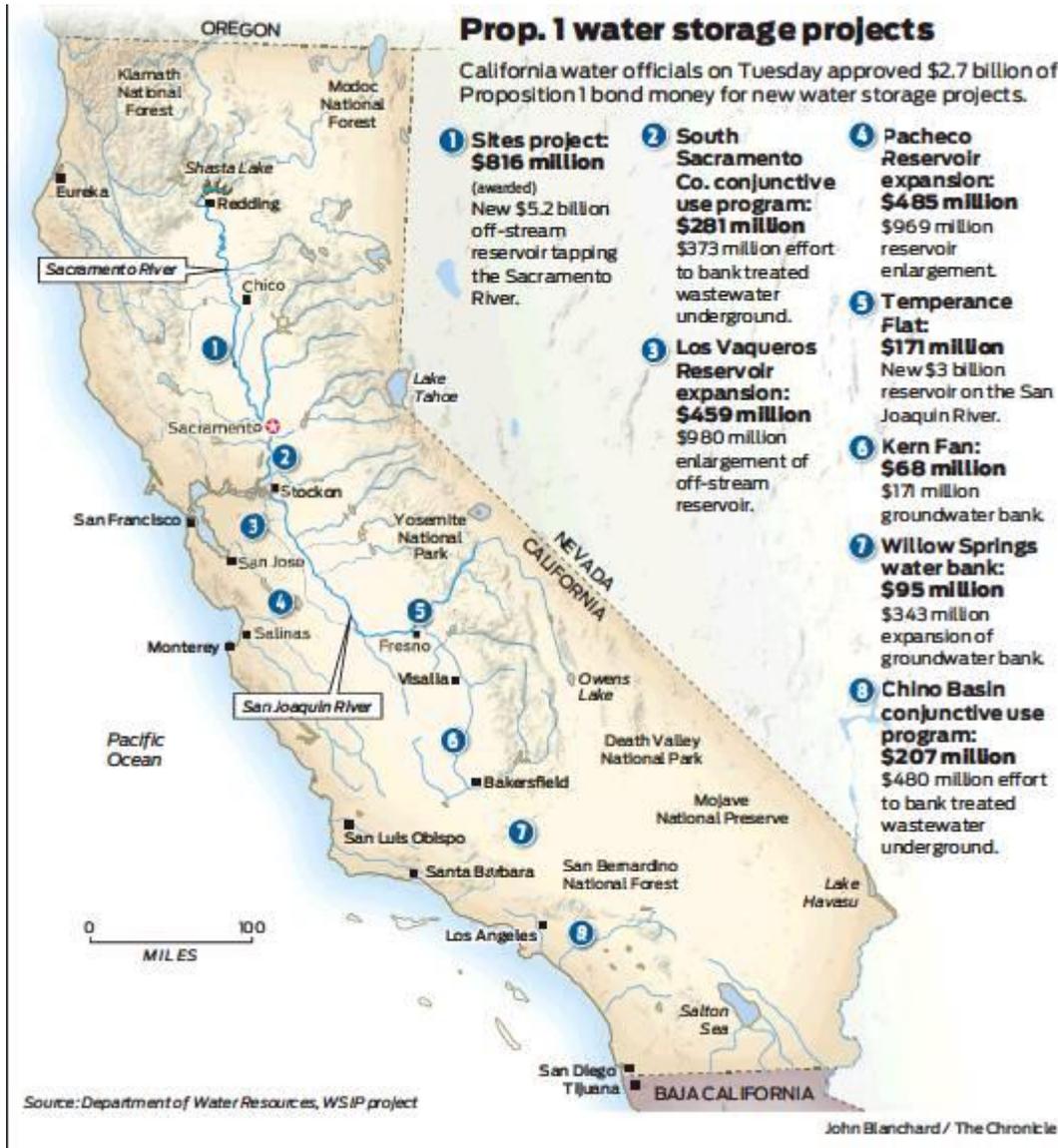
"We finally got some money now that can be used for infrastructure that has been sorely missing for a generation," said Mike Wade, executive director of the California Farm Water Coalition.

Kyle Jones, a policy advocate for Sierra Club California, called the final recommendations "innovative."

"I'm pleased that it wasn't just a giveaway for the big dam projects that we don't like," he said.

State approves funds to expand water storage

By Kurtis Alexander, July 25, 2018



For the first time since California’s dam-building boom ended nearly a half century ago, state officials on Tuesday approved a windfall of cash for new water storage projects, setting the stage for at least a mini-resurgence of reservoir construction.

The historic \$2.7 billion of voter-approved bond money will go to elevating two Bay Area dams, at Los Vaqueros Reservoir near Livermore and Pacheco Reservoir east of Gilroy, as well as to

the development of two much larger dams in the Central Valley. Funds also will go to four less traditional endeavors that store water underground.

Collectively, the projects would add about 4.3 million acre feet of water storage across the state, the equivalent of about a dozen of San Francisco's Hetch Hetchy reservoirs. The new supply is intended to help California weather drought as longer, deeper dry spells are expected to take hold with climate change.

Although the larger dams, at the proposed 13-mile-long Sites Reservoir along the Sacramento River and 18-mile-long Temperance Flat Reservoir on the San Joaquin River, are still well short of the money they need to get off the ground, the Bay Area projects are now close to moving forward.

"Getting the money is a greater step toward water reliability for the Bay Area region," said Oliver Symonds, a spokesman for the Contra Costa Water District, which was allocated \$459 million for the proposed \$980 million expansion of Los Vaqueros Reservoir.

The state money comes four years after voters approved Proposition 1 in the throes of the recent drought. The \$7.5 billion bond measure committed funding for upgrading water infrastructure, restoring watersheds and developing new water storage, with more than a third of the money earmarked for reservoirs and underground water banks.

Tuesday's decision on storage projects was made by the California Water Commission, an independent advisory board appointed by the governor, following a years-long technical review in which about a dozen proposals were considered.

To make sure the projects wouldn't serve special interests, each was scored by how much public benefit it would provide — for example, whether it offered boat recreation, improvements to fish habitat or wastewater treatment.

Among the winners were two efforts to recycle wastewater by treating it and storing it underground. The projects were submitted by the Sacramento Regional County Sanitation District and the Inland Empire Utilities Agency.

Two other funding recipients, in Kern County and Southern California's Antelope Valley, plan to recharge stressed groundwater basins with surplus surface water.

But the bulk of the money, close to \$2 billion, is headed to reservoirs.

With its allocation, the Contra Costa Water District hopes to break ground in two years on raising the dam at Los Vaqueros Reservoir in the East Bay hills by 55 feet. The reservoir, which holds water piped in from the Sacramento-San Joaquin River Delta, would grow by 70 percent, increasing its capacity to 275,000 acre-feet of water, enough to supply more than a half million households for a year.

The district intends to share its additional supplies with other Bay Area providers, including the San Francisco Public Utilities Commission and the East Bay Municipal Utility District. Those agencies are expected to help foot the balance of the project's cost.

With \$485 million of Prop. 1 money, the Santa Clara Valley Water District plans to construct a new \$969 million dam on Pacheco Creek in eastern Santa Clara County, in the footprint of a smaller dam. The project will increase water storage from the creek, which gets much of its water through releases from nearby San Luis Reservoir, from 5,500 to 140,000 acre feet of water.

An acre foot is 326,000 gallons and can meet the needs of about two households for a year.

The outstanding balance for the expanded Pacheco Reservoir is expected to come from other water agencies that will benefit, including the San Benito County Water District and Pacheco Pass Water District, as well as customers served by the project.

Richard Santos, chairman of the Santa Clara Valley Water District Board of Directors, said he hopes construction will start in the next few years.

"It's a reliable source of water that will provide for all of Santa Clara County's residents," he said.

The biggest recipient of the Prop. 1 funding was the proposed Sites Reservoir, a \$5.2 billion venture slated for the west side of the Sacramento Valley in rural Colusa County. The project would store 500,000 acre feet of water piped in from the nearby Sacramento River.

However, the \$816 million allocated for the reservoir is much less than the project's backers wanted, leaving the future of the effort uncertain. The reservoir's anticipated public benefit did not score as high as what supporters had hoped.

"My concern is that this (money) is more of a down payment on what we need and not an end solution," said Jim Watson, general manager of the Sites Project Authority. "But it's a step in the right direction."

Watson said he is pursuing funding from other sources, including the many water agencies that would benefit from Sites, largely districts that provide water for farms.

Proponents of the proposed Temperance Flat Reservoir, near Fresno, said they, too, are having to look elsewhere for cash.

The \$3 billion project, which would add 1.3 million acre feet of water storage from the San Joaquin River, was awarded \$171 million. The public benefit of the project was also deemed low.

Mario Santoyo, the project's executive director, said he's hoping President Trump, who has committed to increasing agricultural water supplies, will pick up where the state left off.

“There’s no guarantees, but we have a new administration that wants to build,” Santoyo said.

The Prop. 1 funding for water storage is the most the state has allocated since construction of the State Water Project, which consists of 21 dams and hundreds of miles of canals, built largely in the 1960s.

California’s last major reservoir, New Melones Lake near Sonora (Tuolumne County), was constructed by the U.S. Bureau of Reclamation in the 1970s.

Jay Lund, director of the Center for Watershed Studies at UC Davis, said Prop. 1 was largely an aberration since the state and federal governments have retreated from the dam-building business.

The reasons are numerous, he and other water experts say. For one, the best spots for reservoirs are taken. Also, the harm that dams do to fish and rivers has become increasingly clear. And finally, there’s just not much money for the pricey endeavors.

“This is pretty unprecedented that the state is providing general fund revenues for water storage. It’s rarely done on this large of scale,” Lund said. “But I’m not sure there’s anymore economically promising surface storage to be built no matter how much money you have. This may well be the last hurrah for water storage.”

Kurtis Alexander is a San Francisco Chronicle staff writer. Email: kalexander@sfchronicle.com
Twitter: @kurtisalexander

East Bay Times

Outgoing SPUR director explains what's wrong with the Bay Area today



Gabriel Metcalf of the San Francisco Bay Area Planning and Urban Research Association —or SPUR — is photographed at the Montgomery Street BART station on Thursday, June 7, 2018, in San Francisco, Calif. Metcalf, who is the president and CEO of SPUR is stepping down after more than 20 years with the organization. (Aric Crabb/Bay Area News Group)

By [Erin Baldassari](#) | ebaldassari@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: July 26, 2018 at 6:00 am | UPDATED: **July 26, 2018** at 3:50 pm

Gabriel Metcalf loves cities.

He loves the diversity of people, and the organic ways they can find others like them, while at the same time, being constantly exposed to those who aren't. He loves walking or hopping on a bike to get where he needs to go. He loves the way cities buzz with energy.

It's why he's so disappointed in what he calls "exclusionary policies" that make it so expensive to live in the Bay Area. As president and CEO of SPUR, the region's preeminent urban planning think tank, Metcalf, a San Francisco condo owner, has been at the forefront of advocating for smarter housing and transportation policies. He was a co-founder of City CarShare, one of the first car-sharing organizations in North America, and a founding member of the San Francisco Housing Action Coalition, a nonprofit that advocates for more housing at all levels of affordability.

He's stepping down from SPUR after more than 20 years, including 13 as its president and CEO, to take a new job at The Committee for Sydney, another urban planning think tank. This news organization spoke with Metcalf about the ways in which the Bay Area has changed over his tenure at SPUR, what challenges lie ahead and what opportunities await. The conversation has been edited for clarity and length.

Q: How did you first become interested in cities and urban spaces?

A: One starting place is the experience of moving around as a young person, living in Denver, living in suburbs, living in a college town, and viscerally feeling how much place matters. Boulder provided a really wonderful experience of small college-town urbanism in the sense of a very walkable, compact place where you could get everywhere by bike. It has a very healthy public space culture, where people spend time on the street and in the parks. So, some of that interest in cities began as just a lived experience of the quality of life in different places. And, from early on, I knew I wanted to live in a bigger city and get into a bigger world than where I grew up.

Q: How did you end up in San Francisco?

A: My girlfriend and I went to Seattle for a couple of years, and then we moved to San Francisco in 1996 in maybe one of the last years when it was still possible to come here without a job and figure it out, before the city got so expensive that that became impossible. It was a dream to get to live in such a great city. There was so much happening, so many different kinds of people, and I really had the sense that it was a place where it was going to be possible to experiment politically to do things that wouldn't be possible in other parts of the country.

Q: What makes cities great places to live, in your mind?

A: Cities are a vessel for holding human difference. That's what a city is. And that essential purpose of holding human difference becomes a platform for a lot of other really interesting things. Cities end up fostering creativity of all kinds because they bring so many different kinds of people together. That shows up in political movements, it shows up in artistic movements, and it shows up in economic innovation, as well. And, it also turns out cities are incredibly ecologically efficient. The city with the smallest carbon footprint per capita in the United States is New York. The essence of the ecological genius of cities is, by concentrating people at high densities, we make it possible to get around by foot, by bike or by transit. So, cities do a lot of different things for us.

Q: How have the cities in the Bay Area changed in the past two decades you've been living here?

A: Physically, it has not changed very much. And I think that's de facto been the choice we've made. We've decided to keep most of the physical form intact, but at a price of losing a lot of the social fabric.

The most important mistake in the Bay Area is our decision that nothing should ever interfere with the comfort and convenience of people who currently own their homes, that they should not have to be troubled with taller buildings anywhere in their line of sight. If we were willing to make some very small sacrifices, essentially to allow tall buildings to be built, we could make this region less expensive.

Q: Why are people so resistant to seeing taller buildings, or physical change in general, in the Bay Area?

A: This is one of the great ironies of the Bay Area, that attitudes that are clearly exclusionary got labeled “progressive” by some people. The attitude that single family neighborhoods should be able to keep out higher density apartment buildings forever. It’s attitudes like that are clearly harmful to low-income people or immigrants. And, I don’t know why that happens.

Q: Is that the biggest challenge facing the Bay Area right now?

A: It’s one of the challenges. Another big challenge for the Bay Area is transportation. The generation after WWII did an extraordinary thing by planning and funding and building BART. This was in an era when much of the country was still building highways. The Bay Area looked so ahead of the game in the mid ’70s when BART opened, but since then, we’ve really rested on our laurels and have not kept up. We’ve skipped two generations of expanding our transit system, and so today we live with that legacy of under-investing in regional transit. At the same time, we built out so much of the region in the form of low-density sprawl, which means transit does not work there. So, we now face the twin challenges of retrofitting our low-density neighborhoods to become more compact and walkable, while at the same time playing catch up on transit investment.

Q: Is there any hope for us?

A: There is hope. We actually have everything we need to solve these problems. We have such high levels of education. We have such high levels of wealth. We have a very idealistic population. The greatest danger for us is a form of fatalism, where we start to believe these problems are permanent and there is nothing we can do. That is simply not true. We have the ability to solve them. But, we need to come together as a region to change course on housing and transportation.

Gabriel Metcalf

Age: 48 **Position:** CEO of SPUR **Education:** Antioch College; Institute for Social Ecology; Department of City and Regional Planning, U.C. Berkeley **Residence:** San Francisco **Family:** Two boys; partner

Five things to know about Gabriel Metcalf

1. He thinks cities are the solution to almost every problem.
2. He goes on a solo backpacking trip in the Sierra every year.
3. He was one of the founders of City CarShare, one of the first car-sharing organizations in North America.
4. He wrote a book called Democratic by Design, which is a history of alternative institutions within American social movements.
5. Even though he's moving to Sydney, he still believes in the potential of the United States. He loves the quote from Richard Rorty, "The whole point of America was that it was going to be the world's first classless society."

East Bay Times

Antioch approves developer-backed open-space initiative

By [Judith Prieve](#) | jprieve@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: July 26, 2018 at 2:37 pm | UPDATED: **July 27, 2018** at 5:10 am

The Antioch City Council has unanimously adopted a developer-backed initiative that would pave the way for “The Ranch,” a 1,177-home community in the city’s largest swath of remaining open land.

Because the council adopted the measure outright, it won’t go on the November ballot.

The vote late Tuesday came after dozens of public comments, presentations and debate, which included some council members’ accusations that another initiative, backed by a coalition of residents and conservation groups, had misled voters with exaggerated numbers of homes being planned. That initiative, called “[Let Antioch Voters Decide](#),” would have blocked all large-scale development in the Sand Creek Focus Area of Southeast Antioch. It was unanimously sent back for further study and is to return for council reconsideration on Aug. 28. Even if placed on the ballot, however, it wouldn’t affect the already approved Ranch development.

“I think this stinks,” Mayor Sean Wright said of misinformation about the initiatives. “We’re not touching those hills — the land we are talking about is private land. I’m all for open space...there’s a lot of open space.”

Councilman Lamar Thorpe also complained that “Let Antioch Voters Decide” petitioners cited inaccurate housing numbers in describing The Ranch plan.

“They were not accurate in telling people the number — 8,000 never existed,” he said. “I found it so disingenuous. I have an absolute distaste for misleading the public in what we were doing.”

But former mayor and councilman Donald Freitas pointed out that more than 20 years ago the city planned for more than 8,000 homes, then reduced the number to 4,000 in 2003. The Ranch, meanwhile, recently was reduced from 1,677 to 1,177 homes, he said.

“Our vision for this area was that it would not have cookie-cutter development — that it would be different, that we would honor and respect the environment,” he said. “Our original goal was 8,950 units ... This (Richland Communities) has been a responsible developer — nothing like this exists in Antioch, and for that matter, in East County.”

Both initiatives focus on preserving open space between Black Diamond Mines Regional Preserve and Deer Valley Road. To the east of Deer Valley Road, two developments — the Aviano Farms project and the Promenade/Vineyards at Sand Creek — have already been

approved. All of the land is in Antioch's Sand Creek Focus Area — 2,712 acres of rolling hills and flat lands on the city's southern border.

The approved "West Sand Creek Open Space Protection" initiative would zone 1,244 acres west of Deer Valley Road as rural residential, agriculture and open space, with the remaining land — approximately 608 acres — open for "The Ranch" development.

The coalition behind the "Let Antioch Voters Decide" initiative fears a major housing development would lead to more traffic congestion and crime and further strain schools while jeopardizing agriculture, streams, grasslands, wildlife habitats and scenic views. Backers included Save Mount Diablo, the Greenbelt Alliance, the Sierra Club and the California Native Plant Society.

In urging approval of the no-growth initiative, Juan Pablo Galvan, Save Mt. Diablo's land use manager, said it "would protect Antioch's precious natural resources and beautiful scenery."

"It will help reduce traffic impacts from residential building and allow the city to focus on improving what it already has rather than incurring more long-term negative impacts by expanding growth," he added.

The counter initiative would allow development only on the lower lying portion of Sand Creek, protecting 70 percent of the land in the Sand Creek Focus Area west of Deer Valley Road. It would permanently preserve grasslands and open space in the Sand Creek corridor, but allow for development of the flatter portions of land known as The Ranch, a planned residential community of low- and medium-density homes, including single-family and senior homes.

The West Sand Creek proposal amends the city's general plan to establish two overlay land use designations in the initiative's area: one for "restricted development area," which applies to the more hilly and environmentally sensitive lands west of Deer Valley Road; and the other, a limited development area, for the flatter, less environmentally sensitive lands west of Deer Valley Road where The Ranch community is planned.

Craig Cristina, senior vice president of The Ranch, touted the project's mix of senior and single-family homes, amenities such as parks and trails, and transportation improvements including a connector for Sand Creek Road between Deer Valley and Dallas Ranch roads. The proposal also requires the developer to donate a site for a future fire station at Deer Valley and Sand Creek roads as well as \$1.2 million to Deer Valley High School sports facilities.

Twenty-four people spoke in favor of The Ranch, which they said would bring local jobs, badly needed housing and road improvements. About a dozen opponents of The Ranch urged the council to keep the pristine open space intact.

"This project would give you certainties about what areas would be developed, and certainty about what areas are going to be held for open space," Ralph Garrow said. "Housing is needed. It's the last major development area."

But while the proposal would maintain The Ranch's development rights, it would rezone the proposed Zeka development to the west. The current general plan allows for [up to 4,000 homes](#) throughout the Sand Creek Focus Area.

That did not sit well with representatives of the Zeka Ranch, which has been working with the city to develop the land since 1992.

Louisa Zee Kao, president of Zeka, urged the council to send the initiative out for a 30-day study of its impacts. "They (The Ranch's Richland Communities) deliberately put a green belt out to the west to make it impossible to develop."

Antioch's interim city attorney, however, said a "hardship waiver" in the West Sand Creek initiative will allow a developer there to appeal to the council for an exception.

Therese Kain, a 30-year-resident, said she's disappointed that the city is considering more development.

"Antioch should be a destination city," Kain said. "It has a magnificent location; it's on a river. The people who settled here saw the opportunity in this place....I would rather see that land be left for a while; let a more visionary idea be presented — that's what we need."

Calexico Chronicle/Imperial Valley Weekly

LAFCO Cautions HMHD Adopt Guidelines; Closely Scrutinize Grants

July 30, 2018

[BY WILLIAM ROLLER](#)



In a sobering assessment of the Heffernan Memorial Healthcare District, the head of its oversight organization, the Imperial Local Area Formation Commission, responded to questions about keeping the district in compliance with state requirements.

Speaking at the July 18 meeting of the Heffernan board of directors, LAFCO Executive Officer Jurg Heuberger remarked he was attending not to pick on the district but to provide direction. LAFCO oversees special districts under state law.

"A couple of years ago I knew HMHD needed improvement," he said. "I give you a grade B. I know you're an A team and I think you're headed there."

The turnabout appears to have been even faster. Heuberger's assessment is in stark contrast to his appearance at the Feb. 21 Heffernan meeting where he raised the grim prospect of dissolving the district due its shortcomings, including not having a staff person and lack of policy for assessing funding requests.

Heuberger on July 18 cited several points of departure where Heffernan strayed from acceptable protocol, especially excessive emergency meetings recently scheduled, sometimes just for one agenda item. It is supposed to schedule just two meetings per month.

"It's a matter of public perception," said Heuberger. "People cannot afford to come down here to meet every week. Some meetings are scheduled at odd hours. The public begins to think you're trying to wear them out and prevent them from attending public meetings."

Additionally, he asked Heffernan prepare a five-year plan outlining long-range goals. Another major criteria is financial, he noted.

"You're in a doggone good position--you got lots of money," he said. "But you are not allowed to subsidize the city of Calexico programs until they have a draft plan approved by LAFCO."

Earlier in 2018 the city of Calexico inquired about Heffernan helping finance the city fire department's financially strapped ambulance service, something Heuberger warned at the time was not consistent with Heffernan's mission. Despite that, the proposal to fund the ambulance service was defeated Jan. 17 in a narrow 3-2 vote by the Heffernan board.

Heuberger urged Heffernan to adopt a policy guideline that spells out criteria of funding requests are evaluated.

"Once you have guidelines they should be reproduced on a standard hand-out you can distribute to applicants. Consider posting them to your website and tell everybody, 'Hey, read the rules online,'" Heuberger added.

Responding to Heffernan trustee Rudolfo Valdez, he remarked the district will continue to be monitored until such time that LAFCO has confidence that it is no longer necessary for such close oversight.

"For the time being, we'll oversee you," he said. "And it's pretty much my recommendation. In our original report (March 2018) discussion arose whether to dissolve you. But we said, 'No.' We're trying to give HMHD positive feedback and we don't want to bug you every couple of months."

Answering a question from Heffernan Treasurer Norma Apodaca about a prior recommendation to hire an executive director, Heuberger replied it was not necessary to get a full-time staff member.

"We prefer full-time but we don't expect a \$300,000-a-year executive," he said. "We understand starting off with a half-time executive secretary maybe enough. We're not here to tell you how but provide you guidance."

At the beginning of the month, after reviewing three candidates, Heffernan identified Tomas Virgin as their choice. He is now undergoing a background check.

The Heffernan board also voted unanimously to accept the treasurer's report. Total assets were \$6,350,946. Total expenses were \$31,307, including \$17,157 of Heffernan grants for the period of June 20 to July 15.

Funding Stalls For New Calexico Health Clinic

July 30, 2018

[BY WILLIAM ROLLER](#)

While local healthcare start up Calexico Wellness Center seeks to serve the many in the city with inadequate or no health insurance, it has run into a major funding snag with no resolution in sight.

The roadblock occurred on June 20 when the Heffernan Memorial Healthcare District board denied its request for \$371,000 in funding, which a company official said was about 70 percent of its planned operating expenses for its first year.

Calexico Wellness is located at 420 Heffernan Ave. It opened June 4.

Even though the board vote on funding was a 2-2 tie, that still meant denial and to date the board has not shown interest in revisiting the matter.

Heffernan board President Hector Martinez and Director Norma Apodaca voted no with Director Sylvia Bernal abstaining because of a conflict of interest, Calexico Wellness Chief Operating Officer Inette Dominguez said in a July 11 phone interview.

Reached by phone on July 12, Martinez explained why he voted no saying that initially Calexico Wellness requested two year's funding but then revised it to one year and offered to repay the funds within five years. He said the request was for a substantial amount and there is no guarantee the venture will succeed.

"They reasoned the center was a primary care facility but there's already the Pioneers Calexico Health Center and the El Centro Regional Medical Center (in Calexico)," said Martinez.

He added, "They were not offering any advantage to the citizens because patients still had to pay through their insurance, so it was just a community grant for them to open a business. If they make another request that demonstrates a benefit to citizens--maybe offering some free services, I would reconsider my vote."

Further complicating matters is that Heffernan's oversight agency, the Imperial Local Agency Formation Commission, has authority over district expenditures and may not be on board with funding Calexico Wellness.

Dominguez said that prior to the June 20 meeting LAFCO Executive Officer Jurg Heuberger informed the center he would review their data and offer an opinion. Heuberger had sent Calexico Wellness a letter with a list of questions he requested answers to in mid-June, she

added. Heuberger was concerned the clinic may not receive the 10,000 annual visits needed to break even, she said.

The clinic responded but has not received a reply from Heuberger, Dominguez said.

This newspaper posed several questions to Heuberger by e-mail, but in a July 12 e-mail response he did not answer them and stated, "Have not issued any further opinions at this time."

At the Heffernan board meeting on July 11 Heuberger was scheduled to appear yet did not attend. Both Dominguez and Chief Executive Officer Blanca Morales did appear and signed the public comments request to address the board. Yet after 25 minutes the board adjourned to meet in closed session without Morales or Dominguez speaking.

Despite the tribulations, Calexico Wellness officials said they are pressing on as they believe their mission noble.

Recently the four administrators--Dominguez, Morales, Chief Financial Officer Frank Adamitis and physician Vital Aizin--provided the clinic with about \$200,000 of their own pooled funds, Dominguez added.

Additionally, the clinic is getting contracts with Medicare, Medi-Cal, Blue Cross and Blue Shield so when the clinic bills patient services the medical insurance companies will reimburse them, Dominguez explained.

"We want to be proactive," said Morales. "There's 24,000 people in Calexico who are at or below the 200-percent-of-poverty level. So we'll service patients without insurance. And we'll pre-pay for patients with vouchers who don't drive."

She added, "There's lots of asthma, obesity and hypertension in Imperial Valley so we're reaching out, doing Facebook, the county health fair in October and other community events."

Dominguez said Heffernan should support Calexico Wellness because "they don't have a clinic that they collaborate with and that's what they're supposed to be doing."

The clinic offers cardiology, gastroenterology and a liver specialist with a focus on hepatitis C, as well as telemedicine.

"This is where the future of medicine is heading," said Dominguez.

Firefighters weary — and state budget wearing thin

By Melody Gutierrez, August 1, 2018

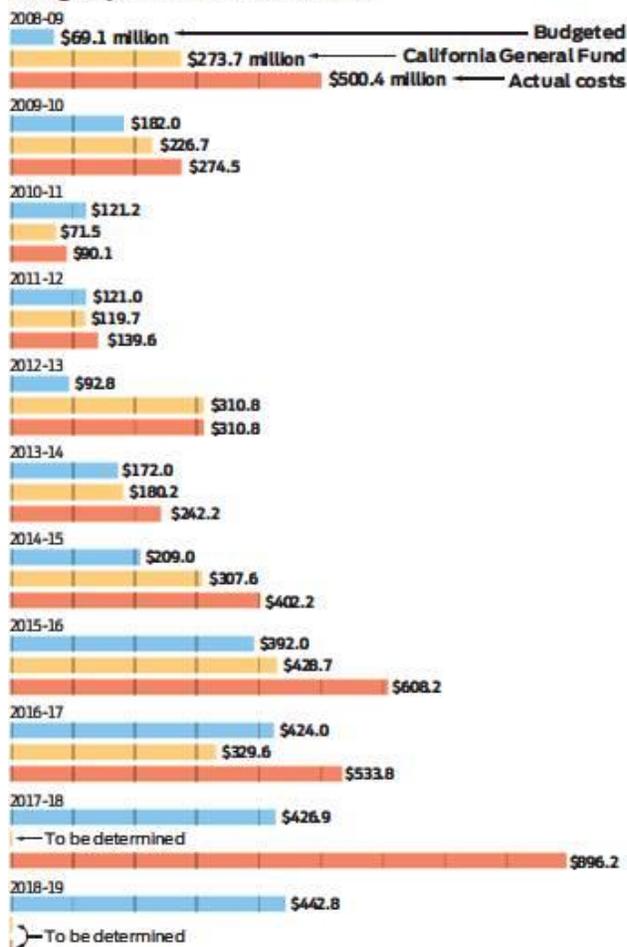
Josh Edelson / AFP / Getty Images

SACRAMENTO — California’s firefighters are stretched as thin as they have ever been, state officials said Tuesday, with no indication that the wave of fires scorching the Golden State will ease in the coming months.

California firefighting costs

Amounts budgeted for Cal Fire wildfire fighting, total state costs in those years and total overall costs, including local and federal reimbursements.

Emergency fund in millions of dollars



Source: State Department of Finance

John Blanchard / The Chronicle

It used to be that the fire season picked up at the end of August and ran through October. That changed with the state’s five-year drought, and this year’s outbreak in July has officials worried about firefighter fatigue.

It was an unprecedented month for fires, both in the number of acres burned and the cost of fielding crews to douse the flames.

The state spent \$125 million in July fighting wildfires. That was more than one-fourth of what was budgeted for the entire fiscal year, which began July 1 and won’t end until June 30, 2019.

It was also a tragic month for firefighters. Four died while battling blazes, two on the Ferguson Fire near Yosemite National Park and two on the Carr Fire as it threatened Redding.

“Unfortunately, no one is going home,” said Mark Ghilarducci, director of the Governor’s Office of Emergency Services. “There is no rest. ... We are literally moving firefighters and personnel from one fire to another, and will continue to do so until the threat is mitigated.”

Cliff Allen, president of Cal Fire Local 2881, the union that represents employees with the state Department of Forestry and Fire Protection, said the workload is taking a toll.

“Fatigue is starting to set in,” Allen said.

Nearly 300,000 acres of state and local lands have burned in California since January, 70,000 acres more than at this time last year and close to triple the five-year average for the date. Cal Fire has had to tap agencies in 12 other states to help build the force of 10,500 firefighters who are on the lines fighting the largest fires.

State officials even persuaded Australia and New Zealand to send firefighters. And Ghilarducci said his office is considering asking the Pentagon to deploy ground troops from the Marines or Army who can help clear brush to stop fires from spreading.

“We have fire literally from one end of the state to the other, and we have weather conditions that are making this an even more dynamic situation,” Ghilarducci said. “We have to get resources to the right place at the right time. It’s like a chess board.”

Ghilarducci said that in recent days, state officials redirected fire crews from the Ferguson Fire near Yosemite to the Carr Fire as it threatened Redding and to the Mendocino Complex fire when it took aim at communities in Lake County.

When those fires are contained, Ghilarducci said, it’s unlikely firefighters will get a break. The way the summer is going, they’ll probably have another fire to put out.

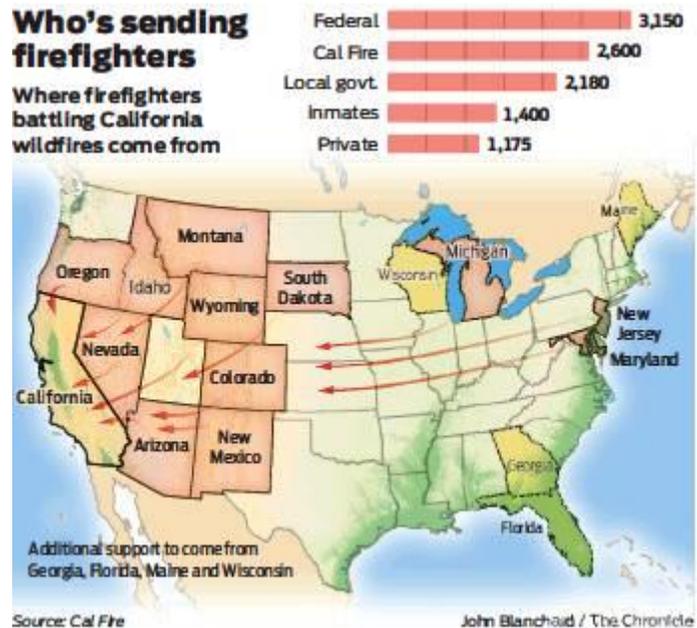
“It’s really all hands on deck,” he said.

And that comes at a cost.

The state is likely to need to dip into reserves for the eighth time in the past decade to cover the cost of putting out wildfires. That’s despite an ever-increasing budget for fighting fires.

Last year, the state budgeted \$427 million. The outburst of fires in the North Bay and elsewhere in October, and then in Southern California in December, left the state, local governments and the federal government having to come up with another \$470 million to cover costs.

California has budgeted \$443 million for this fiscal year that began July 1, and has spent \$125 million so far. That’s more than the state spent during the entire 2010-11 fiscal year.



“This is why the governor has been so insistent over the years of having a healthy budget reserve because, as this year may very well show, Mother Nature doesn’t always coordinate with the state budget,” said H.D. Palmer, spokesman for the state Department of Finance. “The second thing it speaks to is that it underscores what the governor has talked about in terms of the kind of effect that climate change has had on conditions in California and how they set the state up for these kinds of catastrophic wildfires.”

Edward Struzik, author of the book “Firestorm: How Wildfire Will Shape Our Future,” said rising firefighting costs are going to put pressure on budgets across the U.S. in coming years. The only way to prevent that is to keep people from moving into wildland areas and investing in technology that predicts where fires are likely to happen, he said.

“There is no indication we will get cooler and wetter in the West,” Struzik said. “Every study I’ve seen shows California and most of the American West will get hotter and drier. We have more people working and living in these forest areas, and that is increasing the likelihood of fires. I don’t see any other future other than one with more fires.”

And, he added, a future of “really stressed-out fire crews.”

Melody Gutierrez is a San Francisco Chronicle staff writer. Email: mgutierrez@sfchronicle.com Twitter: [@MelodyGutierrez](https://twitter.com/MelodyGutierrez)