

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

February 13, 2019

Board of Supervisors Chambers
Martinez, CA

1. Chair Tom Butt called the meeting to order at 1:30 p.m. and the Pledge of Allegiance was recited.
2. Chair Tom Butt welcomed new Alternate City Member Sean Wright, who was sworn in by County Counsel Anderson.
3. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Alternate Diane Burgis.
Special District Members Mike McGill and Igor Skaredoff and Alternate Stan Caldwell.
City Members Tom Butt and Rob Schroder and Alternate Sean Wright.
Public Members Don Blubaugh and Alternate Charles Lewis.

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

4. Approval of the Agenda

Upon motion of Blubaugh, second by McGill, Commissioners approved the agenda by a vote of 7-0.

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

5. Approval of January 9, 2019 Meeting Minutes

Upon motion of Andersen, second by Skaredoff, the January 9, 2019 meeting minutes were approved by a vote of 6-0, with correction of a typo in the roll call listing. Commissioner Blubaugh abstained.

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

6. Public Comments

There were no public comments.

At 1:34 p.m., Commissioners adjourned to Closed Session to discuss litigation.

At 2:06 p.m., Commissioners reconvened and the Chair reported that there was nothing to report.

7. LAFCO 18-16 – City of Martinez Out of Agency Service (2 Millican Court)

The Executive Officer presented this proposal from the City of Martinez to provide municipal water service to a single vacant parcel located on Millican Court in the Alhambra Valley area surrounded by low density residential and agricultural land, outside the City boundary, and within the City's SOI and ULL. The Alhambra Valley is partially served by the City for water and by CCCSD for wastewater service. The City indicates that it has adequate water to serve the subject area.

Chair Butt and Commissioner McGill offered comments about cleaning up unincorporated islands.

Upon motion of Blubaugh, second by Andersen, Commissioners, by a 7-0 unanimous vote, found the project exempt pursuant to §15303(d) of the CEQA Guidelines; and authorized the City of Martinez to extend municipal water service outside its jurisdictional boundary to the 0.65±-acre property located at 2 Millican Court in the unincorporated Alhambra Valley, subject to specified terms and conditions.

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

8. LAFCO 18-13 – Contra Costa Water District (CCWD) and Diablo Water District (DWD) Spheres of Influence (SOIs) Amendments

The Executive Officer presented a proposal, submitted by DWD, to expand the SOIs of CCWD and DWD to include the Santiago Island Village Mobile Home Park in unincorporated Bethel Island. The subject area comprises 23± acres and includes the mobile home park and a portion of Gateway Road. The purpose of the SOI proposal is to allow for annexation and eventual extension of municipal water service to the mobile home park, with 211 connections serving 300 residents and 100 daily visitors. The property currently relies on a single groundwater well which poses reliability, supply and contamination issues. The State Water Resources Control Board recommends annexation.

Upon motion of Andersen, second by Blubaugh, Commissioners unanimously, by a 7-0 vote, approved the proposed expansion of CCWD's and DWD's SOIs by adding 23.11± acres, and determined that the project is exempt pursuant to CEQA Guidelines, Sections 15303(d) and 15319(a).

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

9. Fiscal Year 2019-20 Budget Schedule/Work Plan Preview

The Executive Officer introduced a preliminary work plan for FY 2019-20, which includes goals and objectives such as MSRs & SOI updates, policies & procedures updates, and other projects.

One of the more significant programs is 2nd round MSRs. Staff and consultants are currently working on the 2nd round "city services" MSR covering all 19 cities and four of the six community services districts, and expect to release the Public Review Draft MSR in March, and finalize this MSR in June.

The FY 2019-20 budget will include funding for 2nd round MSRs. Potential round two MSR candidates include County Service Areas (CSAs) and park & recreation services. There has been a public request by Debra Mason that LAFCO review park & recreation services, and specifically, the Ambrose Recreation & Park District. Also, on February 7th, LAFCO received a letter from Dave Dolter, member of the Alamo Police Services Advisory Committee, recommending that LAFCO review CSAs, and specifically CSA P-2. In his letter, Mr. Dolter identifies a number of boundary and tax irregularities, all of which were also identified in LAFCO's 2011 law enforcement MSR. Following the 2011 MSR, LAFCO sent the Sheriff's Office a letter summarizing the police ("P") district boundary and tax irregularities, to which no response was received.

Additionally, as part of the upcoming work plan, staff has identified policy matters relating to disadvantaged communities (DACs/DUCs), SOIs, updating the multi county boundary policy we have with Alameda LAFCO, and records retention.

The relocation of LAFCO offices from 651 Pine Street to 40 Muir Road is finally moving forward, with a tentative moving date of June 2019. Costs for this move, which were roughly estimated in the FY 2018-19 budget, may also carry over into FY 2019-20. Concurrent with this move are plans to hire an analyst, who will assist with reviewing LAFCO applications, project management (MSRs, special studies), policy work, and general staff services, as well as a new executive assistant to replace Kate Sibley, who will retire later in the summer of 2019. The Executive Officer will present a staffing plan to the Commission in April.

The Executive Officer presented a table summarizing the status of 2nd round MSRs and possible candidates for FY 2019-20.

Discussion ensued regarding the MSR priorities for FY 2019-20. Regarding the “P” CSAs, staff explained that the irregularities cannot be corrected by LAFCO; the County would have to apply to LAFCO for the boundary cleanups, and this would not necessarily require voter approval depending on taxation issues, which would require further research.

The Chair opened the floor for public comment.

David Dolter, representing the Alamo Police Services Advisory Committee, noted that the Committee wants three things: 1) to complete a new MSR on CSA “P” services as soon as possible; 2) implement the MSR recommendations, and if there are boundary anomalies they should be corrected (the Committee is happy to write support letters for this); and 3) assistance from LAFCO in fulfilling the concept of “return to source.”—i.e., funds collected through P-6 in their area should remain in their area.

Commissioner Andersen responded that the Sheriff, in response to that MSR, assured that the P-6 funds would be used, and accounted for, in their specific areas.

Commissioner Lewis asked if Mr. Dolter knows the steps that must be taken in remedying this issue.

Mr. Dolter agreed that if areas are to be annexed into a CSA “P” area, those residents should be able to vote on whether or not they will assume any special taxes assessed in that district.

10. Call for Nominations – 2019 Special Districts Risk Management Authority (SDRMA) Board of Directors

The Executive Officer reported that the SDRMA is calling for nominations for their Board of Directors. There are three director seats up for election to a term of office that will begin January 1, 2020. The deadline for nominations is May 1, 2019.

There were no nominations for these offices.

11. 2017 GASB 75 Alternative Measurement Method (AMM) Report

The Executive Officer reported that Contra Costa LAFCO provides post-employment healthcare benefits for its retired employees, and funds the employer’s share of these benefits for the retirees. In order to fund this benefit and minimize future fiscal impacts to LAFCO, the Commission initiated a plan that includes: 1) funding future costs, 2) participating in a trust to hold the funds, and 3) conducting an actuarial valuation. Under current law, LAFCO must conduct an actuarial valuation at least every other year. LAFCO’s small size allows it to prepare an alternative measurement method report (AMM) in lieu of a full actuarial valuation. LAFCO is part of a consortium thru CSDA and the California School Boards Association and the actuarial firm of Demsey, Filliger & Associates (DFA). This is the 3rd AMM prepared for LAFCO by DFA. A summary of the AMM is included with the staff report.

The report shows an Employer-Paid Accrued Liability of \$513,413, an unfunded accrued liability of \$380,867, and an annual required contribution of \$43,396. LAFCO has set aside funds for this liability starting in FY 2011-12. To date, LAFCO has accrued \$132,546 (including interest earned), which is held in the PARS trust account and reflected in the 2017 AMM report.

Commissioners received the report.

12. Commissioner Comments and Announcements

Commissioner McGill noted the CALAFCO meetings he has attended and will be attending: Legislative Committee, 1/25, 2/22, and 3/22; Board of Directors Strategic Planning Retreat and Board Meeting, 2/28-3/1, and a myriad of other subcommittee meetings, primarily the Ad Hoc Finance Committee (AHFC). The AHFC is recommending to the full board a 32% increase in dues to eliminate a structural deficit that CALAFCO has struggled with for some time. After the 2020 census, they will revisit the dues structure again.

Commissioner McGill and the Executive Officer are working on scheduling meetings with all legislators representing parts of Contra Costa County, with an agenda of “meet and greet” and education on issues facing LAFCOs in the state. He will keep Commissioners informed.

Commissioner McGill also reported on a meeting of EC Squared where transportation agencies, planning, and needs were discussed. He suggested that the presentations made at that meeting by Kristen Connolly, Amy Worth, Julie Pierce, and others be presented to LAFCO.

13. Staff Announcements

The Executive Officer reported that the CALAFCO Staff Workshop will be held April 10-12. Also, the March LAFCO meeting is cancelled, and the April LAFCO meeting will be held on the *third* Wednesday, April 17.

The meeting adjourned at 2:40 p.m.

Final Minutes Approved by the Commission April 17, 2019.

AYES: Andersen, Blubaugh, Butt, Glover, Schroder, Skaredoff

NOES:

ABSTAIN:

ABSENT: McGill (M)

By  _____
Executive Officer