

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

June 12, 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. The Chair welcomed returning City Members Rob Schroder and Alternate Sean Wright, who were recently re-elected to their seats on LAFCO.
3. Roll was called. A quorum was present of the following Commissioners:

County Members Candace Andersen and Federal Glover. Alternate County Member Diane Burgis arrived at 1:45 p.m.

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

City Members Tom Butt and Alternate Sean Wright.

Public Member Don Blubaugh.

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

4. Approval of the Agenda

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

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Skaredoff, Wright (A)

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

5. Public Comments

Kathy Griffin, representing Alliance for a Better Brentwood, spoke regarding Brentwood's growth plans, its sphere of influence, and the urban limit line.

6. Approval of April 17, 2019 Meeting Minutes

Upon motion of McGill, second by Andersen, the April 17, 2019 meeting minutes were approved unanimously, 7-0.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Skaredoff, Wright (A)

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

7. LAFCO 18-03 – SOI Amendments – City of Richmond (reduce) and City of El Cerrito (expand)

The Executive Officer reported that this item requires additional information before it can be heard.

Upon motion of Blubaugh, second by Glover, Commissioners unanimously voted to continue the item to the July 10, 2019 regular LAFCO meeting.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Skaredoff, Wright (A)

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

8. LAFCO 19-01 – SOI Amendment – East Contra Costa Irrigation District (ECCID) (McCauley)

The Executive Officer presented background on this proposal to expand the SOI of ECCID to include two parcels totaling 40 acres located in the City of Antioch; a corresponding annexation application has been submitted for extending irrigation water to support future olive orchards and potentially two single family dwelling units. Due to lack of water infrastructure in the area, the City of Antioch is unable to extend water service to the properties. The cities of Antioch and Brentwood and ECCID have agreed that ECCID can supply the water and the City of Brentwood can convey the water, subject to LAFCO approval.

The Chair opened the public hearing.

Kathy Griffin, Alliance for a Better Brentwood, questioned whether the water is being extended for residential or agricultural use, and was told it was for two residential units.

The Chair closed the public hearing.

Commissioners McGill and Skaredoff asked questions about the use of the ECCID water as well as the well water that is proposed for the two residential units. Staff noted that if the ECCID water is inadequate, the City of Brentwood will provide backup.

Landowner Sean McCauley responded that there are three wells on the property, and they have all been tested for their quality.

Upon motion of Glover, second by Wright, Commissioners, by a 7-0 unanimous vote, determined that the ECCID, as Lead Agency, found the project exempt pursuant to CEQA Guidelines section 15061(b)(3); approved the proposed expansion to ECCID's SOI adding 40± acres to the District's SOI; and amended ECCID's SOI as described and shown on the attached map.

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

9. “City Services” MSR/SOI Updates (2nd Round) – Final Report

The Executive Officer provided background on the “City Services” MSR/SOI Updates (2nd Round), which covers all 19 cities and four community services districts (CSDs), being presented for a final public hearing at this meeting. Lamphier-Gregory and Berkson Associates prepared the final draft MSR report, which was released on March 27th, with the final comment period ending at this meeting.

Most municipal services are covered in this MSR except for fire, water and wastewater, which were covered in previous 2nd round MSRs. Focus areas in this MSR include shared services, infill/urban sprawl/islands, agricultural and open space preservation, and updating data from the 1st round MSRs. The MSR also includes information relating to growth/population, capacity including infrastructure needs and deficiencies, and financial ability to provide services as required by statute.

The MSR process involved working with the subject agencies on data collection, information gathering, and fact checking; preparing an Administrative Draft, a Public Review Draft, a Final Draft, and a Final report; receiving and incorporating public comments; and two LAFCO Public Hearings. The MSR culminates in updating the SOI for each agency. Staff noted that the consultants and LAFCO staff recommend maintaining the existing SOI for each of the 19 cities and four CSDs. Included with this item is a resolution for each subject agency which contains SOI and MSR determinations.

Four noteworthy issues are: 1) the MSR discusses 17 small islands that can be annexed using an expedited LAFCO process, which staff encourages; 2) as noted in the MSR/SOI resolutions, several agencies are required to provide additional information about services and financial capacity prior to any future SOI amendments; and two of these agencies – City of El Cerrito and Crockett CSD – are asked to provide a report to LAFCO by June 2020 addressing financial concerns raised in the MSR; 3) there has been an ongoing issue in the Diablo community regarding the District's use of public funds

to maintain Calle Arroyo Road, which has been deemed a private road by the court. One of the purposes for which the district was formed was to maintain roads subject to right-of-way by the public. We encourage the District to seek a legal opinion to resolve this matter; and 4) there is a request from residents of the Reliez Valley area to be removed from Pleasant Hill's SOI and added to Lafayette's SOI as a community of interest with the City of Lafayette, raising several logistical and financial issues.

Consultant Richard Berkson noted that he did the financial review and that none of the reviews found impending serious fiscal issues, although there were a couple of cautionary flags that resulted in LAFCO's request that certain agencies report back in a year. Consultant Sharon Wright noted that new data was provided by some agencies after the public review draft was issued; that information was added unless it didn't coincide with the initial data timelines

Commissioner McGill congratulated the consultants and LAFCO staff on the report and commended the consultants on their substantial work.

The Chair opened the public hearing.

Debra Mason, Bay Point resident, commented on the City of Pittsburg in relation to Ambrose Recreation and Park District.

The following speakers spoke in support of removing their Reliez Valley neighborhood from the City of Pleasant Hill SOI and adding it to the City of Lafayette SOI:

Lindy Evans, Reliez Valley resident
Kerry Inserra, Reliez Valley resident
Kristen Altbaum, Reliez Valley resident
Janet Haukaas, Reliez Valley resident
Norm Haukaas, Reliez Valley resident
Barry Silberman, Reliez Valley resident
Barbara Silberman, Reliez Valley resident
John Cumbers, Reliez Valley resident
Ken Madderra, Reliez Valley resident
Lane Altbaum, Reliez Valley resident

Commissioners discussed the process the Reliez Valley residents would have to go through to move their area from one SOI and add it to the other, and the actual benefit to the residents. Staff noted that the residents could apply and pay costs associated with the application. Also, this SOI adjustment would trigger an environmental review. LAFCO does not have a budget for such a review, and typically the applicant funds this review. Commissioners agreed that this is a challenging situation.

In response to Mr. Madderra's comment that the original intent of LAFCOs was to clean up unincorporated islands, staff noted that there are 17 small islands in the County that are under 150 acres and thus able to be annexed to cities without protest; however, the master tax transfer agreements do not typically provide adequate funding to address needed improvements in these unincorporated areas.

Commissioner Butt asked how this SOI change would affect the issues these Reliez Valley residents have brought up. Staff responded that there would be no effect on the school and commute issues or on their ability to participate in city politics.

Jeff Eorio, Diablo CSD Board Member, voiced his concern regarding the private vs. public road issue in the Diablo community. Commissioner Andersen suggested that the issue would need to be challenged by a taxpaying resident of Diablo CSD.

The Chair closed the public hearing.

Upon motion of Blubaugh, second by Andersen, Commissioners unanimously, 7-0, accepted the Final MSR report; determined that the MSR project is categorically exempt pursuant to §15306, Class 6 of the CEQA Guidelines and §15061(b)(3) of the CEQA Guidelines; adopted the MSR determinations;

adopted the SOI updates as recommended for the 19 cities and four community services districts; and appointed Commissioners Andersen and Blubaugh to form an ad hoc subcommittee to investigate the request of the Reliez Valley residents to have their area removed from the City of Pleasant Hill SOI and added to the City of Lafayette SOI.

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

10. City of Martinez Annexations – Update

The Executive Officer reported that the City of Martinez, which has seen an increase in applications to LAFCO for out of agency service, submitted an update on their plans to annex the Mt. View/Pacheco Corridor and Alhambra Valley areas and the possible timetable for that. The Martinez City Council has identified annexations as one of its top five goals over the next two years, and within the next year will explore an annexation study of these areas.

Upon motion of Glover, second by McGill, Commissioners unanimously, by a 7-0 vote, accepted the report from the City of Martinez.

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

11. Fiscal Year 2019-20 Final Budget and Work Plan

The Executive Officer presented the final budget for Fiscal Year 2019-20, which reflects an overall increase of 9% as compared to the approved FY 2018-19 budget, which is primarily attributable to relocation of the LAFCO office and adding an Analyst position. Services & Supplies expenses are expected to be slightly less than the current year budget, due to incurring most of the costs associated with the relocation in the current year budget.

Currently, LAFCO has two full-time employees, an Executive Officer and an Executive Assistant/LAFCO Clerk. In April, the Commission approved a new staffing plan that includes one FT EO, one FT Analyst and one half-time EA. The current EA/LAFCO Clerk will retire on July 31, 2019. In accordance with the new staffing plan, and in anticipation of Kate's retirement, LAFCO initiated a recruitment for the EA position, received 23 applications, interviewed the top four candidates, and anticipates making a job offer this week.

Costs associated with the new office space include rent/debt service; approximately \$12,000/year, which is comparable to current rent. The FY 2019-20 budget also includes a new annual cost of \$12,000 for LAFCO's share of tenant improvements (TI) at 40 Muir Road. For the past four years, the County provided LAFCO an estimate of \$60,000 for TI costs to be paid over a 5-year period. In April, County staff informed LAFCO that its share of the TI costs is \$175,000, which is a significant increase over the prior year estimates. The cost increase is primarily due to increased construction costs and the addition of a prorated share of a conference room, breakroom and restroom. County and LAFCO staff have tentatively agreed that LAFCO will pay \$12,000 annually but only during the time in which LAFCO leases the space. Should LAFCO vacate the space, the TI improvement payments will cease.

As in previous years, the budget also includes an \$80,000 contingency reserve for unanticipated expenses, which is re-appropriated each year, an annual contribution of \$40,000 to prefund LAFCO's OPEB liability, and a contribution of \$30,000 to prefund LAFCO's retirement liability through CCCERA.

Revenue sources include local agency contributions and application fees. The most significant portion of LAFCO's revenue comes from the funding agencies – the County, cities and independent special districts. Per the Government Code, LAFCO's net operating budget is apportioned to these agencies, with the County paying 1/3, the cities paying 1/3, and the special districts paying 1/3. The County

Auditor calculates and collects the apportionment based on general revenues reported to the State Controller. Based on the proposed budget, the revenue needed from the funding agencies is approximately 10% more than the current year contributions. The FY 2019-20 estimate for application and related fees is comparable to the current year budgeted amount based on a multi-year historical average, and recent application activity.

As in the past, the year-end fund balance will be used to offset the contributions from the County, cities, and special districts.

Chair Butt opened and closed the public hearing, as there were no speakers.

Upon motion of Blubaugh, second by McGill, Commissioners, by a 7-0 unanimous vote, approved the final budget for FY 2019-20 as presented, and directed staff to distribute the final budget to the County, cities, and special districts.

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

12. Legislative Report – Update and Position Letters

The Executive Officer noted that this year marks the first year of a two-year legislative session in Sacramento. CALAFCO is sponsoring two bills: **AB 1822**, the **annual omnibus bill**, and **AB 1253** (*Rivas*), which would establish one-time grant funding for LAFCOs to prepare reorganization studies in conjunction with the 2017 Little Hoover Commission report relating to special districts and DUCs. CALAFCO is also embarking on a 2-year process with other state associations to rewrite the protest provisions.

CALAFCO is currently tracking 21 bills that have direct and indirect impact on LAFCOs as shown on the CALAFCO Legislative Report.

On April 16th, CALAFCO issued an urgent call for legislative action requesting that LAFCOs send support letters for two bills: **AB 1822**, the annual CALAFCO omnibus bill, and **AB 818** sponsored by the League of Cities to reinstate ERAF funding; and one oppose letter for **AB 600** which creates requirements for cities, counties and certain special districts to develop accessibility plans if they have DUCs. In accordance with our legislative policy, and in consultation with the LAFCO Chair, we sent position letters for these three bills.

Upon motion of Andersen, second by McGill, Commissioners unanimously, by a 7-0 vote, received the Legislative Report.

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

13. Contract Extension – Lamphier-Gregory

The Executive Officer presented an amendment to the ongoing contract with Lamphier-Gregory for environmental planning. The contract amendment is for a one-year extension, and additional funding as included in the FY 2019-20 budget.

Upon motion of Skaredoff, second by McGill, Commissioners unanimously, by a 7-0 vote, authorized LAFCO staff to execute a contract amendment with Lamphier-Gregory to extend the term of the contract to June 30, 2020, and add funding as provided in FY 2019-20 budget.

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Skaredoff, Wright (A)
NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

14. Commissioner Comments and Announcements

Commissioner McGill noted that he had attended two CALAFCO meetings in the period since the last Contra Costa LAFCO meeting: a Legislative Committee meeting on May 3rd and a Board meeting on May 10th at which time the Board discussed the dues increase. The June 7 Legislative Committee meeting was cancelled.

15. Staff Announcements

The Executive Officer had no comments.

The meeting adjourned at 3:00 p.m.

Final Minutes Approved by the Commission July 10, 2019.

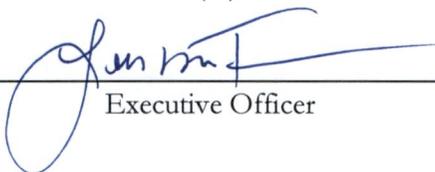
AYES: Andersen, Blubaugh, Butt, McGill, Schroder, Skaredoff

NOES:

ABSTAIN:

ABSENT: Glover (M)

By _____



Executive Officer