



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor • Martinez, CA 94553-1229

e-mail: LouAnn.Teixeira@lafco.cccounty.us

(925) 335-1094 • (925) 335-1031 FAX

Lou Ann Teixeira
Executive Officer

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Special District Member

October 14, 2015 (Agenda)

October 14, 2015
Agenda Item 9

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

**Countywide Reclamation Services Municipal Service Review and
Sphere of Influence Updates (2nd Round) – Public Review Draft**

Dear Commissioners:

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that not less than every five years, LAFCO prepare municipal service reviews (MSRs) prior to or in conjunction with sphere of influence (SOI) updates.

MSRs provide an assessment of the range and adequacy of municipal services provided in the County, and serve as an important tool for LAFCO in fulfilling its legislative mandate to coordinate the efficient and logical development of local government agencies and services. The MSR serves as a basis for SOI updates and future boundary changes.

In April 2013, Contra Costa LAFCO completed its inaugural MSRs/SOI updates covering 19 cities and 74 special districts. The first round MSRs included a combination of service-specific (countywide), sub-regional, and agency-specific reviews. In 2014, LAFCO completed its first 2nd round MSR covering water and wastewater services. In December 2014, LAFCO embarked on its 2nd round MSR covering reclamation services as discussed below.

SUMMARY

The 2nd round reclamation services MSR covers 14 special districts. A consulting team comprising Project Resource Specialists, Aldrich and Associates, and E. Mullberg & Associates were hired to prepare the MSR report.

The MSR Process - The MSR process involved distribution of an initial Request for Information (RFI) by LAFCO staff which focused on significant changes (e.g., regulatory, infrastructure, fiscal, governance, etc.) since the last MSR in 2009, along with requests for updates on agency specific issues as identified in the inaugural MSR.

Following the initial RFI, the project team coordinated with the local agencies to verify information and provide each agency with preliminary findings and individual draft agency reports to facilitate an inclusive and cooperative process.

The Public Review Draft MSR was released on September 2nd. The report was posted on the LAFCO website (www.contracostalafco.org), and agencies/interested parties were notified of the availability of the report and comment period, which ended on September 29th. A number of agencies responded. A summary of the comments received and responses to comments is attached (Attachment 1).

The October 14th hearing is the first of two public hearings on the reclamation services MSR; no final action on the Draft MSR report will be taken at this hearing. Following a presentation by the consultant, the project team will receive comments from the public and the Commission. A copy of the PowerPoint presentation is attached (Attachment 2).

The Commission will be asked to set a public hearing for November 18, 2015 at which time the Commission will consider accepting the Final MSR report, adopting the required determinations, and updating the SOIs for a number of the special districts covered in the MSR.

DISCUSSION

Municipal Service Review - The 2nd round reclamation services MSR covers 14 special districts, and focuses on physical improvements since 2009, changes in fiscal viability, and identifies potential resource sharing and funding opportunities that may assist these districts in maintaining and improving their levee systems. In sum, the MSR includes the following components:

- Overview of the Sacramento/San Joaquin Delta
- Overview of reclamation districts and their challenges
- Discussion of funding opportunities
- Individual description of each of the 14 districts covered in the MSR
- Recommended MSR determinations as required by the CKH ACT
- Governance and SOI recommendations

Sphere of Influence Updates – The MSR process does not require LAFCO to initiate changes of organization based on MSR findings; it only requires that LAFCO make determinations regarding the provision of service and update SOIs, as necessary. The MSR serves as a basis for SOI updates and future boundary changes.

A full discussion of governance and SOI options is included in the MSR report. LAFCO staff will provide its SOI recommendations to the Commission in November, at which time the Commission will be asked to accept the Final MSR report, make the required determinations, and update the SOIs.

RECOMMENDATIONS

1. Receive the LAFCO staff report and consultants' report,
2. Accept public comments and provide Commission comments, and
3. Direct staff to set a public hearing for November 18, 2015, at which time the Commission will be asked to accept the Final MSR, make the required determinations, and update SOIs.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – Comment Log
Attachment 2 – PowerPoint Presentation

c: Distribution

Contra Costa Reclamation Districts MSR (2nd Round) - Public Review Comments

Comment #	Date Received	Agency	Contact Person	Summary of Comments	Consultant Response
1	9/3/2015	RDs 2025 and 2026	Dave Forkel	Table 6-1 (Page 39): state that RD 2025 has an annual budget; reference that RD 2026 shares ferry service with RD 2059.	Public Review Draft revised.
2				Change text and table references in text to Webb "Tract."	Public Review Draft revised.
3				Table 6-17, (Page 97): correct agency address.	Public Review Draft revised.
4				Table 6-20, (Page 106): correct incorrect reference (RD 2090) to RD 2026.	Public Review Draft revised.
5				Table 6-20 (Page 106) and Pages 110 and 111: add statement that RD 2026 shares ferry service with RD 2026.	Public Review Draft revised.
6				Table 6-20 (Page 106): clarify that Board of Directors for RD 2028 and RD 756 operate independently.	Public Review Draft revised.
7	9/9/2015	RD 2122	Robert Calone	Table 6-37 (Page 156), insert revised FY 2011-12, FY 2012-13 expenditure figures.	Public Review Draft revised.
8				Table 6-38 (Page 158), revise FY 2012-13, FY 2013-14 revenue/expenditure figures.	Public Review Draft revised.
9				Table 6-39 (Page 160), update Services and Facilities Table with updated data.	Public Review Draft revised.
10	9/24/2015	BIMID	L. Jeff Butzlaff	Pages 42, 46, 47: minor grammatical corrections.	Public Review Draft revised.
11				Pages 48 and 49: minor typographical corrections; change reference to funding sources and local grant matching source.	Public Review Draft revised.

Contra Costa Reclamation Districts MSR (2nd Round) - Public Review Comments

Comment #	Date Received	Agency	Contact Person	Summary of Comments	Consultant Response
12				Page 51: add sentence to shared facilities discussion: "A FY 2016-17 additional 75% CDBG grant has also been approved for the acquisition and stocking of an Emergency Response Trailer/Mini Command Center."	Public Review Draft revised.
13				Page 53: add sentence clarifying that the Community Facilities District set up by Delta Coves and the County assures that no public taxpayer subsidy will be needed to support the private development.	Public Review Draft revised.
14	9/25/2015	RD 2059	Mia Brown	Table 6-23 (Page 114): update RD office address; update Board of Director names and terms.	Public Review Draft revised.
15				Page 113: delete reference to absence of RFI response.	Public Review Draft revised.
16				Page 116: clarify RD 2059's relationship with Delta Ferry Authority and ferry service costs/revenues.	Public Review Draft revised.
17				Page 116: indicate that consolidation with other RDs infeasible due to unique interests and limited access.	Public Review Draft revised.
18				Page 117: update the District's rehab projects; reference that all District levees meet HMP standards; identify Blake Johnson as the District's consulting engineer.	Public Review Draft revised.
19				Page 118: update District's population estimate.	Public Review Draft revised.
20	9/11/2015	RD 799	Julie Hugel	Page 54: minor spelling correction.	Public Review Draft revised.
21				Table 6-5 (Page 55): update Board of Directors - replace Kevin Houde with Karla Fratus.	Public Review Draft revised.
22				Page 57: update LAIF account balance.	Public Review Draft revised.
23				Page 60: delete reference to shared excavator with BIMID.	Public Review Draft revised.

Contra Costa Reclamation Districts MSR (2nd Round) - Public Review Comments

Comment #	Date Received	Agency	Contact Person	Summary of Comments	Consultant Response
24	10/2/2015	LAFCO	Commissioner Sharon Burke	Page 1: add Consulting Team reference.	Public Review Draft revised.
25				Various typographical edits throughout.	Public Review Draft revised.
26				Correct references to SOI boundaries throughout.	Public Review Draft revised.
27				Tables 5-1 (Page 28) and 6-1 (Page 39): add RD references for clarification.	Public Review Draft revised.
28	10/1/2015	N/A	Consulting Team	Add "California" water code references throughout.	Public Review Draft revised.
29				Page 37: update status of 2015 Delta Levees Maintenance Subvention Program Grants.	Public Review Draft revised.
30				Page 37: add reference to Special District Funding Map	Public Review Draft revised.
31				Appendix: insert Special District Funding Map	Public Review Draft revised.

COUNTYWIDE RECLAMATION SERVICES

DRAFT Municipal Service Review and Sphere of Influence Study Update (2nd Round)

Project Resource Specialists (PRS)
Harry Ehrlich, Principal
Bob Aldrich, Project Manager
Elliot Mulberg, Services & Technical Specialist

Contra Costa LAFCO
October 14, 2015

Municipal Service Reviews:

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- Required (Gov't. Code §56430) for all cities and special districts
- Purpose: evaluate current services and potential impacts on those services from projected future growth
- Identify opportunities to improve services through identification of alternative service structures/providers
- Must be completed prior to, or concurrent with, Sphere of Influence updates

What We'll Cover:

3

- Municipal Service Review (MSR) requirements
- Opportunities for Comment
- Agencies Reviewed/MSR Study Area
- Reclamation District Updates
- Comparative Overview
- Next Steps

14 Agencies Reviewed:

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- Bethel Island Municipal Improvement District
- Reclamation District 799 (Hotchkiss Tract)
- Reclamation District 800 (Byron Tract)
- Reclamation District 830 (Jersey Island)
- Reclamation District 2024 (Orwood and Palm Tracts)
- Reclamation District 2025 (Holland Tract)
- Reclamation District 2026 (Webb Island)
- Reclamation District 2059 (Bradford Island)
- Reclamation District 2065 (Veale Tract)
- Reclamation District 2090 (Quimby Island)
- Reclamation District 2117 (Coney Island)
- Reclamation District 2121 (Bixler Tract)
- Reclamation District 2122 (Winters Island)
- Reclamation District 2137 (Dutch Slough)

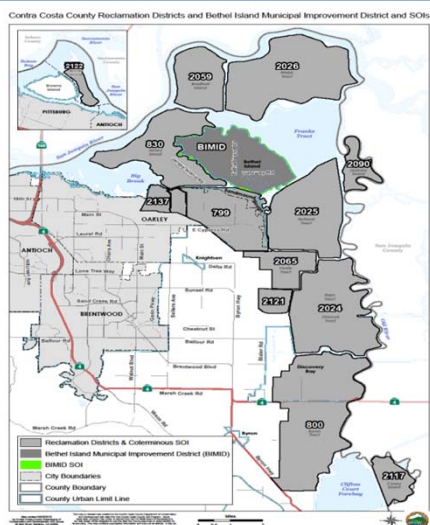
Process and Opportunities for Comment:

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- **November 2014** – Request for Information Survey sent to agencies
- **March 2015** – Draft agency snapshots released to agencies for review & comment
- **July 2015** – Draft agency MSR chapters released to agencies for review & comment
- **September 2015** – Public Review Draft of MSR released
- **October 2015** – LAFCO public hearing

MSR/SOI Study Area:

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Reclamation Districts - Overview

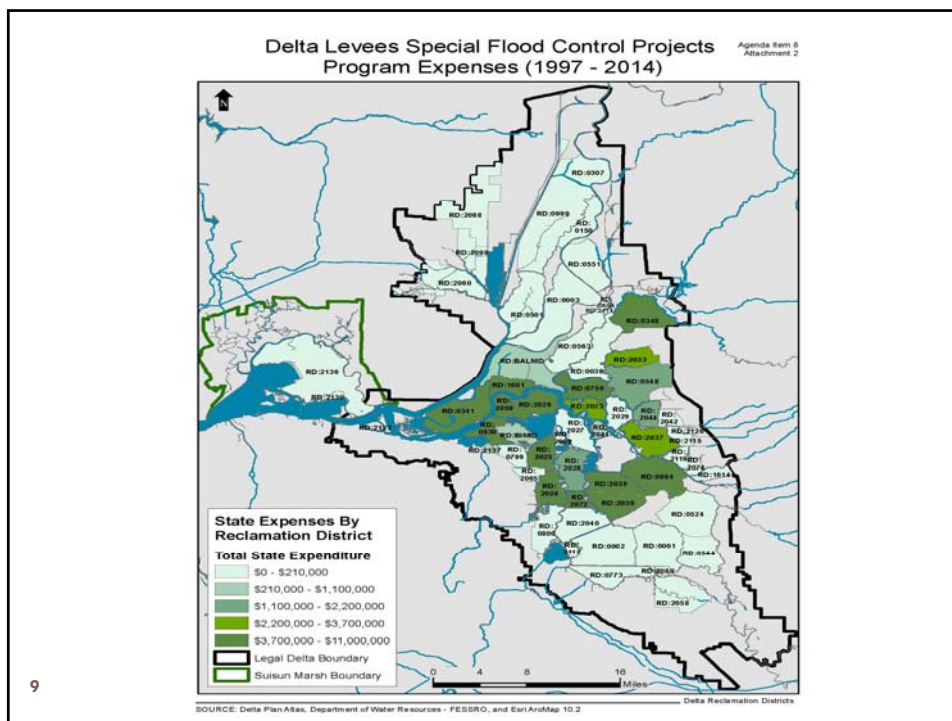
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- Reclamation Districts (RD's) have been authorized by the State Water Code for over 100 years; since 1963, the responsibility to establish service boundaries and SOL's for RD's came under LAFCO.
- Most RD's are small, but provide important service benefits for maintaining levees and drainage control to island properties.
- Most RD services are provided by contract with another service provider.
- Many RD's have limited operating and capital budgets.
- The emerging importance of the Bay-Delta, the effects of the recent drought on water supply, and climate change impacts have brought renewed attention to the function and importance of RD's.
- Contra Costa County is one of 16 counties in California that has Reclamation Districts.

Reclamation Districts Overview...

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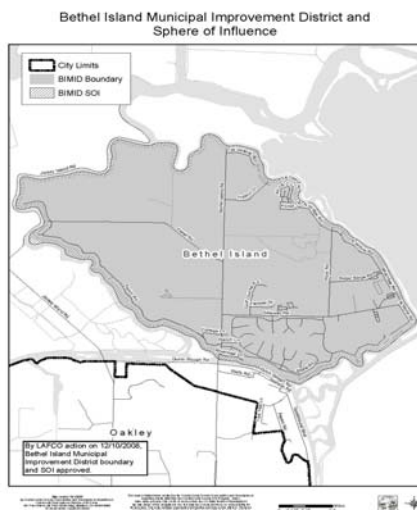
- Levee systems and related infrastructure are distinct to each island making shared facilities, in many cases, infeasible.
- There is shared interest among all RD's to ensure the integrity of the RD's are maintained.
- Six islands in Contra Costa County have been identified by DWR as critical to control of salinity in the Delta: Bethel Island, Bradford Island, Holland Tract, Hotchkiss Tract, Jersey Island and Webb Tract.



Bethel Island Municipal Protection District

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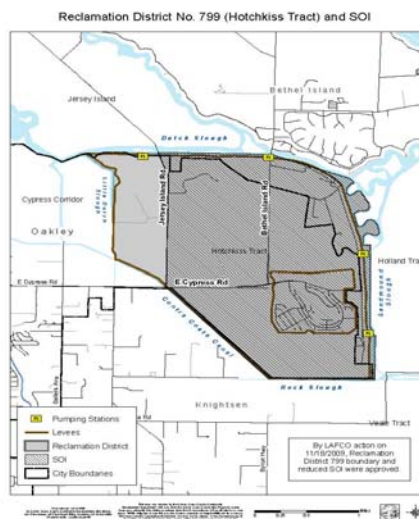
- Acreage: 3,500
- Population: 2,137
- Land Use: Residential/marina/recreation
- Proposed Delta Coves project, if built, could double population
- August 2015 – Assessment Fee approved
- Special Project Funding:
 - 50% of \$1.6 mil for levee imp.
 - \$3.5 mil – Horseshoe Bend levee imp.
- SOI Recommendation:
 - Reconfirm existing SOI



RD 799 (Hotchkiss Tract)

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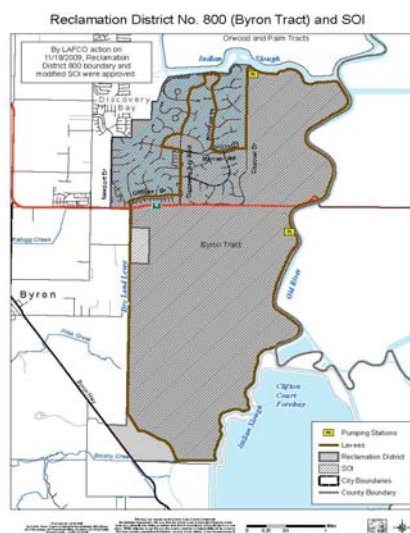
- Acreage: 3,100 acres (City of Oakley)
- Population: 969
- Land Use: Ag/residential/recreation
- Special Project Funding:
 - DWR advance of \$127,528 for levee improvement projects
- Levee status unchanged since 2010
- District assessments insufficient to provide adequate levee maintenance
- SOI Recommendation:
 - Reconfirm existing SOI



RD 800 (Byron Tract)

12

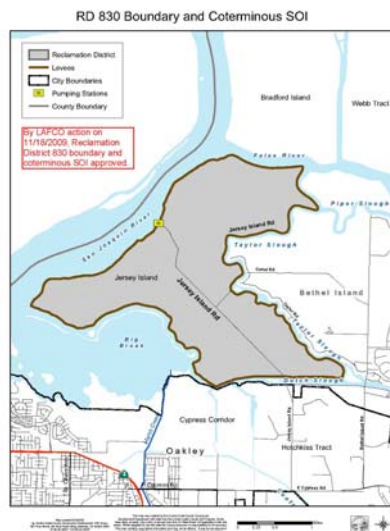
- Acreage: 6,933
- Population: 7,656
- Land Use: Town of Discovery Bay, ag, public facilities
- Special Project Funding: \$3.6 million
- Upgrade of 9.7 miles of ag levees to PL 84-99 standards completed in 2001
- All urban levees upgraded received FEMA accreditation
- SOI Recommendation:
 - Expand SOI to include Pantages Bay development



RD 830 (Jersey Island)

13

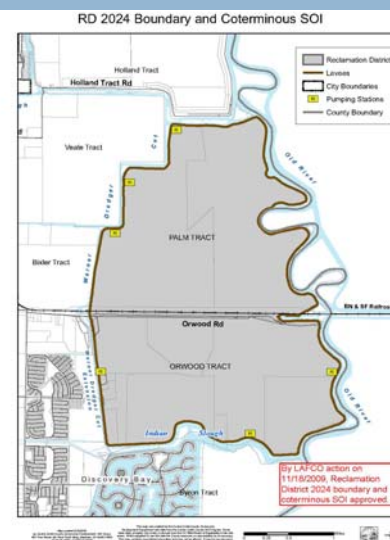
- Acreage: 3,561
- Population: 3
- Land Use: Habitat preservation
- Ownership: Ironhouse Sanitary District
- Special Project Funding:
 - Cooperative agreements securing \$6 million for levee and regional habitat improvement
 - \$3.6 million in Special Project Grant funding
- SOI Recommendation: Reconfirm existing SOI



RD 2024 (Orwood and Palm Tracts)

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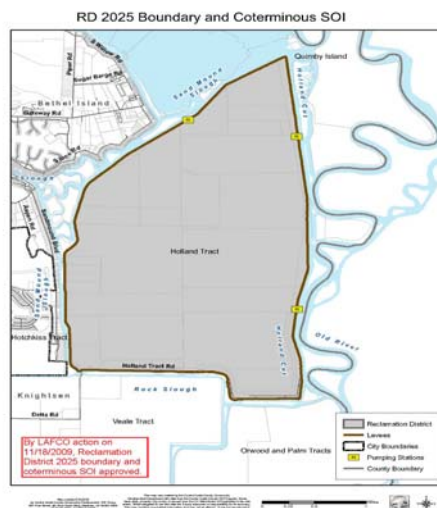
- Acreage: 6,574
- Population: 40
- Land Use: agriculture
- Important utility and government facilities located within the RD
- Special Project Funding:
 - Since 2009, \$18 million in levee improvements
- All 14.6 miles of levee meet PL 84-99 standard
- SOI Recommendation: Reconfirm existing SOI



RD 2025 (Holland Tract)

15

- Acreage: 4,090
- Population: 27
- Land Use: Agriculture/recreation
- Special Project Funding: \$5 million
- All 11 miles of levee meet PL 84-99 standard
- SOI Recommendation:
Reconfirm existing SOI



RD 2026 (Webb Tract)

16

- Acreage: 5,500
- Population: 0
- Land Use: Agriculture
- Special Project Funding:
\$9 million in Special Project grants;
\$4.7 million spent to date
- All 13 miles of levee meet HMP standard;
6.25 miles meet PL 84-99 standard
- SOI Recommendation:
Reconfirm existing SOI



RD 2059 (Bradford Island)

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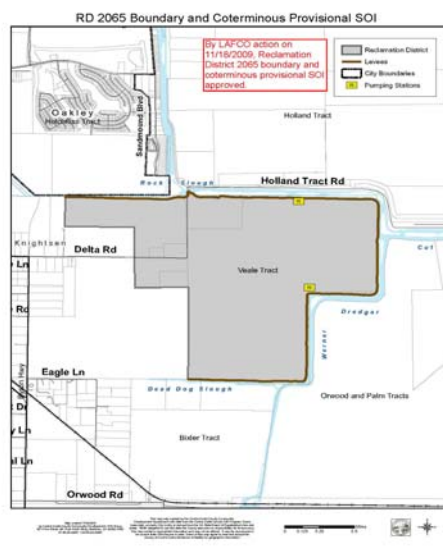
- Acreage: 2,200
- Population: 63
- Land Use: Ag, commercial, residential, gas extraction
- Special Project Funding:
\$7.5 million
- Absence of infrastructure-related data
- 7 miles of earthen levees (2009)
- SOI Recommendation:
Reconfirm existing SOI



RD 2065 (Veale Tract)

18

- Acreage: 1,365
- Population: 14
- Land Use: Agriculture
- Special Project Funding:
Potential \$2.2 million levee rehab grant with DWR
- Levee status unchanged since 2009
- SOI Recommendation:
Reconfirm existing SOI



RD 2090 (Quimby Island)

19

- Acreage: 789
- Population: 1
- Land Use: Agriculture
- Special Project Funding:
None
- All 7 miles of levee meet HMP standards
- SOI Recommendation:
Reconfirm existing SOI



RD 2117 (Coney Island)

20

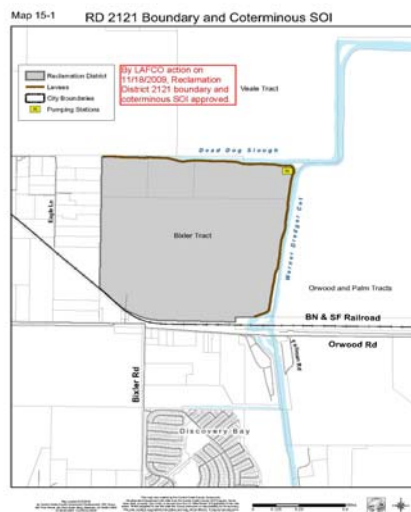
- Acreage: 935
- Population: 4
- Land Use: Agriculture
- Special Project Funding:
Seeking \$2.2 million grant through DWR
- 75% of levee meet PL 84-99 standards
- SOI Recommendation:
Reconfirm existing SOI



RD 2121 (Bixler Tract)

21

- Acreage: 584
- Population: 5
- Land Use: Agriculture
- Not functioning as a gov't agency
- State Levee Subvention or Special Project Funding unavailable
- SOI Recommendation:
Adopt a "zero" SOI for RD 2121 which indicates that the agency should be considered to be "reorganized" (e.g., dissolved, consolidated, etc.) and that an alternative governance structure may be desired at some point in the future.



RD 2122 (Winters Island)

22

- Acreage: 428
- Population: 0
- Land Use: Marshland, duck club
- Accessible only by boat
- Special Project Funding: None
- 5 miles of levees:
 - 1.5 miles meet HMP standards;
 - 3.5 miles do not meet HMP standards
- SOI Recommendation:
Reconfirm existing SOI



RD 2137 (Dutch Slough)

23

- Acreage: 785 (City of Oakley)
- Population: 2
- Land Use: Open space/habitat
- Comprises the majority of the Dutch Slough Restoration Project Site
- Special Project Funding:
 - \$9.4 million for DWR to rehabilitate the entire levee system
- 3.8 miles of levees:
 - 3 miles meet HMP standards; unchanged since 2009

SOI Recommendation:

Reconfirm existing SOI



Contra Costa Reclamation Districts – Comparative Overview

Reclamation Districts	Current Budget/Audit	Infrastructure Investments	Levee Improvements	Expanded Cooperative Programs/Shared Services	Website	5-Year Plan (Complete/Not Completed)	Overall Assessment (Improved, Same or Lower Capability of overall Levee System)
BIMID	Budget - Yes Audits - Yes	Yes - \$2.1 M project in process; \$3.5 M pending	Yes - Annually	Yes - CC Public Works contract for drainage maintenance	Yes	Completed	Improved (financial status has been of concern for future operations & projects; assessment district approved by voters for next 10 years)
RD 799	Budget - Yes Audits - No	Yes - \$127,000	Yes - Annually	No	No	Not Completed	Same
RD 800	Budget - Yes Audits - Yes	Yes - \$3.0 M Dry Land levee - \$634.5 K	Yes - Annually	No	Yes	Completed	Improved
RD 830	Budget - Yes Audits - Yes	Yes - \$2.07 M	Yes - Annually	Yes - Ironhouse SD/Habitat	Yes	Completed	Improved
RD 2024	Budget - No Audits - Yes	Yes - \$8 M	Yes - Annually	No	No	Completed	Improved
RD 2025	Budget - No Audits - Yes	Yes - \$3.8 M	Yes - Annually	No	No	Completed	Improved
RD 2026	Budget - Yes Audits - Yes	Yes - \$9 M; \$4.7 spent to date	Yes - Annually	No	No	Completed	Improved

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Contra Costa Reclamation Districts – Comparative Overview (cont.)

RD 2059	No Response to RFI	Yes - \$7 M	Yes - Annually	Provides ferry service	Yes	Completed	<i>Unknown</i> Insufficient information; SC Reports show annual assessments and subventions revenues of approximately \$650K
RD 2065	Budget - No Audits - Yes	No – plan for DWR Grant project to upgrade at \$2.2 M	Yes – Annually	No	No	Completed	<i>Same</i>
RD 2090	Budget - No Audits - Yes	No	Yes – Annually	Equipment sharing with Ellis Farms	No	Completed	<i>Same</i>
RD 2117	Budget - No Audits - Yes	No – Seeking \$2.22 M Grant	Yes- Annually at minimum amount	No	No	Completed	<i>Lower Capability</i> (pending grant funds for improvements)
RD 2121 (inactive)	Budget - No Audits - No	No	NR	No	No	Not Completed	<i>Same</i> (considered inactive)
RD 2122	Budget - No Audits - NR	No – 5 Year Plan prepared	Yes – Annually at minimum amount	No	No	Completed	<i>Same</i> (single landowner; seeking grant funds but matching funds a challenge)
RD 2137	Budget - Yes Audit – 2014 only	Yes – 2 Special Projects - \$9.4 M	Yes - Annually	Yes – Dutch Slough Project	No	Completed	<i>Improved</i>

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Next Steps

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- Incorporate Commission/public/agency comments into Draft MSR document
- Schedule Final MSR for LAFCO public hearing on November 18, 2015
- Consider MSR and SOI adoptions on November 18, 2015