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September 9, 2009 (Agenda)

September 9, 2009  
 Agenda Item 8

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

**Central County Sub-regional Municipal Services Review**

Dear Members of the Commission:

**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.

In accordance with the MSRs, LAFCO must prepare written determinations relating to various factors including growth and population; present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies; financial ability of agencies to provide services; status of and opportunities for shared facilities; and accountability for community service needs, including governmental structure and operational efficiencies.

In 2003-04, the Commission initiated the MSR/SOI update program. To date, the Commission has completed baseline reviews for most special districts and a number of cities; baseline reviews are currently underway covering west county cities and miscellaneous special districts.

A team of consultants and LAFCO staff are preparing the MSRs. The approach involves countywide, sub-regional and agency-specific reviews. The 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 Commission has made significant progress in accordance with the MSR workplan. The time required in preparing comprehensive MSRs/SOI updates, and the level of detail and analysis needed is greater than anticipated given the complexity of issues we are discovering. Further, we have used the MSR process as a means for correcting and digitizing agency boundary/SOI maps in GIS format. This work provides a foundation that should make future MSRs/SOI updates easier.

## **SUMMARY**

On July 8, 2009, LAFCO held a workshop, at which time the MSR consultant Kim Hudson (Dudek) presented an overview of the Central County Sub-regional MSR report and various governance structure and SOI options. The report covers the following local agencies: cities of Clayton, Concord, Danville, Lafayette, Martinez, Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek, and the Diablo Community Services District.

At the July workshop, the consultant provided an overview of the local agencies and their ability to provide services. The preliminary report included the State-required determinations, along with SOI and governance structure options and recommendations. The Commission was asked to provide comment, and directed staff to circulate the Public Review Draft MSR report.

The project team made revisions to the MSR report based on comments received at the July LAFCO meeting. And although not required by statute, the MSR report was posted on the LAFCO website ([www.contracostalafco.org](http://www.contracostalafco.org)) and circulated for a 28-day public review period. LAFCO received comments during the public review period from several agencies (attached), and the consultant has made revisions to the report based on these comments. The Final Draft MSR report and SOI recommendations will be presented to the Commission on September 9 for consideration and approval.

On September 9, the Commission will be asked to receive final comments; accept the MSR report, adopt determinations, and update agency SOIs as presented in a separate agenda item. As discussed in the SOI staff report, LAFCO may, but is not obligated to, initiate changes of organization or reorganization based on the MSR findings.

## **DISCUSSION**

The Central County Sub-regional MSR provides a comprehensive review of services provided by agencies under LAFCO's purview, including those agencies listed above. The MSR report focuses primarily on public agencies and their ability to provide a range of municipal services. In order to address the required factors, the MSR examines a number of issues as highlighted below.

### Growth and Population

Moderate growth is expected in central Contra Costa County through 2030. Population within the 11 central County agencies is expected to increase by 18% by 2030, to 505,300. The anticipated growth will place increasing demand on municipal services and infrastructure. The City of San Ramon is projecting the most significant increase at 41% through 2030. Others areas, such as Danville, Diablo and Pleasant Hill are nearing build out and anticipate lower growth rates.

### Service Demand and Adequacy

The MSR provides a discussion of service demand and adequacy for each agency based on a number of factors, including jurisdictional boundaries, projected growth and opportunity for infill development, and available resources. The report also addresses opportunities for cost avoidance, financing constraints and opportunities, as well as opportunities for rate restructuring and sharing resources. There is significant variation in service demand, capacity and management practices among the agencies.

### Infrastructure

The MSR report provides information regarding infrastructure including roads and facilities. Overall, agency roads are in fair to good condition, with the exception of the cities of Martinez (at risk), Moraga (fair to at risk) and Orinda (poor). Agency facilities are generally in good condition.

### Financing

The MSR report evaluates the financial ability of agencies to provide services. Most of the agencies are experiencing a decline in revenues and an increase in costs. In the cities of Lafayette, San Ramon and Moraga, revenues exceed expenses. In the cities of Martinez and Orinda, expenditures for roads appear to be inadequate.

In the past two years, many cities have experienced a significant decline in property tax revenue. The FY 2008-09 assessment rolls show that the City of Concord was the only central county city which experienced a decline in property tax revenue. The FY 2009-10 assessment rolls show that all of the cities in the County experienced a decline, with the exception of Lafayette, Moraga and Orinda. Overall, the central county cities have not experienced property tax declines as significant those in east and west county.

The report finds that all agencies regularly review and update fees, charges and fines as part of the annual budget process. A number of the agencies participate in facility and resource sharing through joint powers and shared use agreements. It appears that there are limited opportunities for cost avoidance, although several best practices were featured in the report.

There are tremendous differences among the agencies in terms of expenditures, funding sources and funding adequacy.

### Local Accountability and Governance

Several of the key factors LAFCO must address in its MSRs are accountability for community service needs, including governmental structure and operational efficiencies.

The MSR report evaluated accountability based on the measures of contested elections, constituent outreach efforts, transparency, and disclosure practices.

The MSR report found that all of the agencies demonstrated some level of accountability based on the measure of constituent outreach. All of the cities appear to be operating efficiently with low employee-to-resident ratios. Many of the cities have comprehensive and updated websites. The Diablo CSD does not currently have a website, and is in the process of developing one.

### Conclusion

The MSR report provides a number of major findings relating to the overall adequacy of public services as presented in the determinations. Overall, most central county agencies are providing adequate services, have adequate facilities and infrastructure, and are generally accountable.

A number of governance alternatives, including consolidation of services and boundary reorganizations, are identified in the report. These options are summarized in a separate SOI staff report and described more fully in the MSR report.

The Commission is responsible for guiding local agencies in the County to overcome challenges by recommending governance alternatives through its determinations on the required MSR factors and through its upcoming decisions relating to SOIs. After accepting the MSR report and adopting the determinations as presented in the attached resolution, the Commission will be asked to consider the SOI updates.

### **Environmental Analysis**

The municipal service review is a study, intended to serve as an informational tool to help LAFCO, local agencies and the public better understand the public service structure in Contra Costa County.

The service review and determinations are Categorically Exempt under §15306, Class 6 of the California Environmental Quality Act (CEQA) Guidelines.

### **RECOMMENDATIONS**

1. Determine that the MSR project is Categorically Exempt pursuant to §15306, Class 6 of the CEQA Guidelines,
2. Consider comments presented prior to and during the public hearing and any revisions to the *Central County Sub-regional MSR* report,
3. Accept the report with any desired changes,
4. Adopt the MSR determinations by resolution attached hereto, and
5. Direct staff to prepare the Final MSR report and make available to all affected agencies and interested parties.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

c: Distribution

Attachments: Draft Resolution with MSR Determinations  
Comment Letters

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION**

**ADOPTING DETERMINATIONS FOR THE  
2009 CENTRAL COUNTY SUB-REGIONAL MUNICIPAL SERVICES REVIEW**

**WHEREAS**, Government Code §56430 requires the Commission to conduct municipal service reviews (MSRs) in order to prepare and update spheres of influence (SOIs) pursuant to Government Code §56425;

**WHEREAS**, the Commission previously authorized the central, east and west county sub-regional MSRs to be prepared;

**WHEREAS**, on July 8, 2009, the Commission conducted a workshop to review the Preliminary Draft *Central County Sub-regional MSR*, received comments, and directed staff to circulate the MSR for public review,

**WHEREAS**, following the workshop the Public Review Draft MSR was circulated for a 28-day public comment period;

**WHEREAS**, on September 9, 2009, the Commission conducted a public hearing to receive the Final Draft MSR;

**WHEREAS**, the Commission considered all comments, written and oral, received prior to and during the hearing on September 9, 2009; and

**WHEREAS**, the MSR report and determinations are Categorical Exempt from the California Environmental Quality Act (CEQA) pursuant to §15306 Class 6 of the CEQA Guidelines.

**NOW, THEREFORE, BE IT RESOLVED** that the Contra Costa Local Agency Formation Commission does hereby resolve, determine and order as follows:

*The Central County Sub-regional Municipal Services Review determinations attached hereto as Exhibit A and incorporated herein by reference are hereby adopted.*

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PASSED AND ADOPTED THIS 9<sup>th</sup> day of September 2009, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
GAYLE B. ULIKEMA, 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: September 9, 2009

\_\_\_\_\_  
Lou Ann Texeira, Executive Officer

EXHIBIT A  
CENTRAL COUNTY SUB-REGIONAL  
MUNICIPAL SERVICE REVIEW DETERMINATIONS

**I. Summary of Determinations and Key Issues**

**Infrastructure Needs and Deficiencies**

Most infrastructure in Central Contra Costa County is in “good” condition, although some agencies have roads that are in fair to poor condition.

**Growth and Population**

In general, growth rates are consistent with each other and have been historically low in Central Costa Contra County. Some jurisdictions, such as Danville and Pleasant Hill, as well as the Diablo Community Services District (CSD), are nearing buildout and are expected to have lower growth rates than other communities. It is anticipated that the City of San Ramon will experience the highest growth rate in Central County.

**Financing Constraints and Opportunities**

Most agencies are experiencing a decline in revenues and an increase in costs. They are still able to maintain a balanced budget by deferring some capital improvements. In the cities of Lafayette, San Ramon and Moraga, revenues exceed expenditures and reserves are being utilized. In the City of Martinez, it appears that expenditures for roads are inadequate. The City of Orinda is experiencing an increase in the cost of services and revenues are flat, facing challenges for funding infrastructure. The City of Pleasant Hill has had a historic surplus of revenues to expenses and is currently reducing expenditures. Revenues exceed expenditures in the Diablo CSD.

**Cost Avoidance Opportunities**

There are limited opportunities for cost avoidance. Fire services are funded separately for each of the agencies and are not part of the budget. The City of Concord has entered into a Joint Powers Agreement with Central Contra Costa Sanitary District (CCCSD), which results in significant cost savings. The Town of Danville participates in the countywide library system, which results in cost savings. In Moraga, the police department established alternative work schedules, which resulted in a cost savings. The City of San Ramon established its own police department in order to realize cost savings and improve services. The Diablo CSD avoids costs related to benefits and other employee expenses by contracting for police service, engineering, environmental review, and administrative services. Presently, the CSD’s legal counsel also serves as general manager, which results in cost savings. Additionally, elected board members receive no stipend for serving on the board.

**Opportunities for Rate Restructuring**

All of the agencies review and update fees, charges, and fines on a regular basis, usually as part of the annual budget process. The Town of Moraga recently reviewed fees and adjusted rates to match costs. The Diablo CSD charges fees for road maintenance and security through a parcel tax, which is assessed annually on the property tax rolls.

**Opportunities for Shared Facilities**

The City of Clayton has a new gymnasium as part of a shared use agreement with the school district, and the police department uses the dispatch and booking services of the City of Concord’s Police Department. The City of Concord’s wastewater utility provides service to the City of Clayton, and Concord is part of the countywide library system. The Town of Danville has a joint development, maintenance and management agreement with County Service Area (CSA) R-7A for Hap Magee Ranch Park, and a joint use agreement with the San Ramon Valley Unified School District (SRVUSD) for use of recreation facilities. The new library in the City of Lafayette will be operated by the countywide library system, and the City contracts with the County Sheriff’s Department for police services. In addition, Lafayette has a joint use agreement with the school district for shared use of recreational facilities. The cities of Martinez and Walnut Creek are both part of the countywide

library system and have joint use agreements with the school districts for recreational facilities. The Town of Moraga contracts with the County Sheriff's dispatch services and 9-1-1 call services. Moraga also has an agreement with school district for shared use of facilities. The City of Orinda has an agreement with the school district for shared use of facilities, and an agreement with the sheriff's department for investigative resources, narcotics investigation teams, and special weapons and tactics team. The City of Pleasant Hill shares maintenance facilities and offices with the Pleasant Hill Recreation & Parks District (PHRPD) and is part of the countywide library system. The City of San Ramon has an agreement with the school district for shared use of facilities, is part of the countywide library system, and utilizes the County Sheriff's dispatch and 9-1-1 emergency call center for the City's police department. The Diablo CSD contracts for all services and does not have any facilities.

### **Government Structure Options**

For all of the cities and towns, the Council-Manager form of government is appropriate and services are efficient. Further study is needed in the City of Concord to evaluate the benefits of consolidating sewer service with CCCSD. Additionally, the City of Concord should consider annexation of areas served within its SOI and annexation of the Ayres Ranch island. In Martinez, the City should look at government options in areas with a mix of special districts and CSAs since, in some cases, services could be provided more efficiently by the City. There are limited opportunities for changes in the government structure in the City of Pleasant Hill. Any future annexations to the City should consider the boundaries of the PHRPD to determine if annexation to the District is necessary to preserve consistent service provision. In the City of San Ramon, when areas part of CSA P-6 and CSA L-100 annex to the City, they will detach from the CSA. The Diablo CSD was formed and functions as a funding mechanism for the provision of enhanced police, roadway maintenance, and recreational services. The services of the Diablo CSD overlap CSA P-6, which also provides enhanced police protection services.

### **Evaluation of Management Efficiencies**

All of the Central County cities and towns operate efficiently, and most have a low employee-to-resident ratio. Many of the cities have easy-to-use websites with current information available to residents. The Diablo CSD does not have any employees; the CSD's contract legal counsel provides all management and administrative services. The CSD may wish to consider contracting with an independent auditor or other financial agent to ensure subrogation of duties. At some future point in time, the current contracted legal counsel/general manager will retire, and transition plans do not exist. The CSD is in the process of developing personnel procedures that will address the transition upon retirement of the General Manger. The CSD is investigating the establishment of an office that would be open to the public part time.

### **Local Accountability and Governance**

The cities and towns maintain easy-to-navigate websites that are kept current with meeting notices, minutes of meetings, and commonly requested documents. The agencies provide numerous opportunities for public participation and input. Many are broadcasting public hearings on cable television. Oversight is generally provided by the City Clerk and Treasurer. The Diablo CSD does not currently have a website; however, it is in the process of developing one. The CSD, upon launch of its website, should begin posting meeting notices, minutes, and information about the CSD. Meeting notices are posted at the Diablo Post Office. The CSD meets monthly in the Diablo Country Club. The records of the agency are maintained out of the legal counsel/general manager's home.

## **II. Agency-Specific Determinations**

### **CITY OF CLAYTON**

#### **General Statements**

- A. The City has been proactive in addressing community needs, public services, and necessary infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. Existing infrastructure – City-owned buildings, library building, City streets, stormwater system and parks meet acceptable standards for functionally and usability. The City’s buildings are routinely cleaned, repaired, and maintained. Street maintenance includes routine pavement maintenance, such as crack-sealing, slurry seals, pothole repairs, annual pavement overlays, and reconstruction, as needed or as recommended by the City’s computerized Pavement Management System. Maintenance of the City’s stormwater system involves clearing the inlets and pipes of debris and other flow obstructions, at least once a year or more often if needed.
2. City-owned buildings and other facilities have several decades of useful life remaining. The City commits resources annually to the maintenance and upkeep of facilities and roadway to extend useful life.

### **Growth and Population Projections for the Affected Area**

3. Clayton’s growth rate is consistent with other cities within Central County, remaining relatively low. Historically, Clayton has not experienced high growth rates.
4. Utilizing existing vacant parcels zoned for residential development and existing residential parcels considered underutilized, a maximum 150 dwelling units could be built within the existing City boundaries.
5. Future residential growth within the SOI is focused on the Marsh Creek Specific Plan (MCSP), which extends east of the City along Marsh Creek Road, and would add about 150 residential units to Clayton.

### **Financing Constraints and Opportunities**

6. The City has historically operated with a balanced budget, not needing to use reserves. Of concern is that revenues are declining due to the current depressed economy and, at the same time, the cost of service delivery is increasing. It may be necessary to use reserves to achieve a balanced budget in FY 2009-10.
7. The City has been successful in passing assessments for maintenance costs. Two recent successes for the City were the passage of a parcel tax in 2006 to fund the operation and maintenance of the City’s new Downtown Park, and voter renewal of the maintenance assessment citywide for the public Landscape Maintenance District in 2007. Both measures required two-thirds voter approval for special taxes.
8. The current budget allocates 49% of the General Fund revenues to Police Services. This reflects the City Council’s commitment to provide a safe environment within the City.
9. There is limited land available within the City that is or could be zoned for commercial uses. This restricts the City’s ability to increase sales tax revenues or to provide local jobs.

### **Cost Avoidance Opportunities**

10. Fire protection services provided by the Contra Costa County Fire Protection District (CCCFPD) serve the City well. Fire protection costs are borne by the District with revenues from property tax increments, assessment, and fees. The cost of fire protection is not included within the City’s budget, freeing funds which might have been used for this service to be utilized in other areas.

### **Opportunities for Rate Restructuring**

11. As part of the City’s annual budget process, all City fees, charges, and fines are reviewed and updated as necessary. Each July (and when deemed appropriate), the City reviews and updates its Master Fee Schedule for user fees, charges, and fines.

### **Opportunities for Shared Facilities**

12. The City has built a new gymnasium as part of a shared use agreement between the City and the school district. The City has contracted with the YMCA to provide recreation services using the facilities that are available to the City through the joint use agreement.
13. Clayton's Police Department utilizes City of Concord's dispatch and booking services.

### **Government Structure Options**

14. This MSR identified no government structure options for the City of Clayton. The City operates as a general law city utilizing a council–manager form of governance.

### **Evaluation of Management Efficiencies**

15. The City has a low ratio of employees to residents: 2.3:1,000.

### **Local Accountability and Governance**

16. The City provides opportunities for citizens to attend meetings, with access to public information and full Agenda Packets via the City's website. The City records each City Council meeting, and then broadcasts each meeting on local cable channels the following evening and later in the same week. The City has also created several citizen-based committees to help guide policy makers and to gather valuable citizen input on projects and services within the City.
17. The appointed City Clerk provides important oversight functions, including records management, Statements of Economic Interest filings, and overseeing municipal elections.
18. The City maintains an up-to-date website that is easy to navigate. The website contains meeting agendas, minutes, important documents (e.g., budgets, general plan and planning documents, municipal codes, forms for building or planning projects), information about City Departments, and contact information for local officials.

## **CITY OF CONCORD**

### **General Statements**

- A. The City has been proactive in addressing community needs, public services, and infrastructure improvements.
- B. Determinations relating to Concord as adopted by the Commission in April 2008 as part of the Central County Water and Wastewater Services MSR remain valid and appropriate.

### **Infrastructure Needs or Deficiencies**

1. Existing infrastructure – City streets, wastewater collection system, storm drainage system, neighborhood and community parks, police facility, community centers, and City-owned buildings meet acceptable standards for functionality and usability.
2. Planned infrastructure – The City maintains a comprehensive 10-year CIP that is updated annually. The current CIP lists 88 projects.

### **Growth and Population Projections for the Affected Area**

3. In the near term, Concord's growth is consistent with other cities within the north Central County area, with growth rates slowing as residential development moves to the East County and south Central County areas. Over the longer term, the Navy's anticipated disposition of the former Concord Naval Weapons Station (CNWS) will provide up to 5,028 acres for reuse. The City of Concord is preparing an environmental impact report (EIR) for a preferred Reuse Plan that would involve up to 12,272 new dwelling units and nearly 22,000 new jobs. Action is expected to certify the final EIR and approve a preferred Reuse Plan by the end of 2009; action is expected to amend the Concord General Plan to incorporate the Reuse Plan in early 2010. The Navy will need to complete environmental analysis under the National Environmental Protection Act (NEPA) and adopt a Record of Decision (ROD) before the property can be disposed of and made available for development.
4. Annual growth rates are projected to remain at approximately 0.9%, with an overall growth rate of 19% to 2030. City population is projected to reach 148,400 by 2030. These long-term projections will need to be updated upon amendment of Concord's General Plan to incorporate a Reuse Plan for the CNWS.
5. Job growth in Concord has generally paralleled the increase in population and employed residents. 2010 ABAG estimates project 71,150 jobs within the City and 62,350 employed residents. This equates to a positive jobs balance for the City. Alternatives for reuse of the CNWS predict and would contribute to this positive jobs balance.
6. Presently, there are 170 acres of vacant land within the City, with an additional 110 acres of vacant land within the SOI that is suitable for development. Additional development potential may emerge with development of the CNWS reuse plans.

### **Financing Constraints and Opportunities**

7. The City utilizes a 10-year budget plan that is adjusted and updated yearly to reflect economic conditions.
8. The City adjusts project schedules within its CIP annually to ensure adequate operating funds are available to the City.
9. The City's wastewater utility operates as an enterprise business and is self-funding. Generally, this fund generates more revenues than is required for expenses. The City monitors this fund closely.

### **Cost Avoidance Opportunities**

10. In FY 2003-04, the City adjusted its CIP by eliminating 46 projects to ensure adequate operating funds are available.
11. The City wastewater utility has adopted a Sewer System Management Plan in accordance with State Water Resources Control Board General Waste Discharge requirements for sanitary sewer systems. The Sewer System Management Plan provides a plan and schedule to manage, operate, and maintain all parts of the sanitary sewer system to reduce and prevent overflows and mitigate any overflows which do occur.
12. The City formed a Joint Powers Authority with CCCSD to build an A-Line sewer relief interceptor and gravity flow connection from the Concord Sewage Pump Station to a new CCCSD sewer line. This allows the existing City sewer lift station to be decommissioned, with a cost savings estimated to be \$290,000 annually.
13. Fire protection services are provided by CCFPD, an independent special district. Costs for fire protection are paid through a portion of the ad-valorem property tax increment collected by the District. Fire protection costs are not part of the City budget.

### **Opportunities for Rate Restructuring**

14. The City, as part of its annual budget process, reviews all fees, cost of services, charges, and fines and updates them as necessary.

### **Opportunities for Shared Facilities**

15. The City's wastewater utility provides services to the City of Clayton as well as to areas within its SOI.
16. The City is part of the countywide library system, with the City owning and maintaining the library building and contributing additional funds to enhance local service at the branch, with the County library providing staffing and resources.

### **Government Structure Options**

17. The Central County Water/Wastewater MSR/SOI updates identified the following government structure option for the City: Consolidate sewer service with CCCSD. As stated in the MSR, further study would be required to determine if any benefits would result from consolidation and what disadvantages exist. The City's wastewater utility operates efficiently and is operated as an enterprise.
18. The City's wastewater utility is providing services to areas within its SOI. The City should evaluate future annexation of those areas that are served outside of the City boundaries.
19. The Ayres Ranch is an approximately 189-acre unincorporated island located within the City of Concord. Past annexations into the City have consisted of either single parcels or a small number of parcels annexing as they require sewer services from the City. The City should seek annexation of the entire Ayres Ranch island to improve delivery of municipal services, particularly sewer and police services.

### **Evaluation of Management Efficiencies**

20. This MSR identified no deficiencies within City management practices. The City maintains a balanced budget and has an easy-to-use website with updated and current information available to residents.

### **Local Accountability and Governance**

21. The City conducts open and legally noticed meetings with opportunities for citizens to attend meetings or to view meetings at home on local cable television channels or access information via the City's website. The City has instituted several citizen-based committees to help guide policymakers and gather citizen input on projects and services within the City.
22. The elected City Clerk and Treasurer provide oversight functions, including records management, filing of Statement of Economic Interest, filing of monthly financial reports, and oversight of travel expenses.

## **TOWN OF DANVILLE**

### **General Statements**

- A. The Town has been proactive in addressing community needs, public services, and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. Existing infrastructure: Most of the infrastructure within the Town is relatively young or has been refurbished within the last 25 years. The Town evaluates impacts from growth upon its infrastructure as part of the CIP process in order to keep abreast of potential infrastructure needs. No significant deficiencies were noted in the Town's infrastructure.
2. An annual Pavement Condition Index (PCI) gives the Town's roadways an average overall index of 72 (as of March 2009) – good.

### **Growth and Population Projections for the Affected Area**

3. The Town is nearing residential build-out, with approximately 95% of available land already developed. As of the start of 2009, there were 55 sites of vacant or underdeveloped lands identified in Danville carrying zoning and land use designations to allow residential development. The development potential of these sites has been estimated to be adequate to accommodate the development of 670 units. In addition to that residential development potential, there were 93 lots of record present in Danville as of the start of 2009 available for development with individual single-family residential units. Collectively, the residential development potential as of the start of 2009 was 763 units. Full build-out is projected to take place sometime within the next decade.
4. Population at 2030 is projected to be approximately 46,700, representing an annual increase of 0.2%.

### **Financing Constraints and Opportunities**

5. General Fund revenues are expected to remain relatively flat through the length of the current recession, while cost for contract services, such as police protection and professional consultants, are increasing. This may force deferral of some capital projects and/or reduction of service levels.
6. Reduced building activity has impacted Special Purpose Revenues collected from planning, building, and engineering fees. Total building permit activity for past five full fiscal years was as follows: 2003/04: 2,771 permits; 2004/05: 2,601 permits; 2005/06: 2,695 permits; 2006/07: 2,123 permits; and 2007/08: 2,173 permits.
7. Utility costs are projected to increase by 12% during FY 2008-09. The Town will offset these increases through cost reductions in other areas and implementation and use of sustainability practices. The imposition of water rationing by East Bay Municipal Utility District (EBMUD) through increases in user fees will significantly affect Town operations. The Town's ongoing water conservation practices will be aggressively increased to meet EBMUD's drought management program. The FY 2008-09 budget includes \$250,000 to offset increased water rates.
8. State and federal governments continue to mandate new laws and requirements on local agencies without providing offsetting revenues required for implementation. The federally mandated Clean Water Act of 1993 (NPDES) and State Regional Water Quality Control Board requirements passed in 2008 will increase program costs significantly. Danville currently funds these programs through stormwater assessments instituted in 1993. For FY 2008-09, these increased costs will be funded through use of accumulated reserves. Future budgets will need to identify a supplemental revenue source to offset these rising costs.

### **Cost Avoidance Opportunities**

9. The Town of Danville, through its joint use agreement with the SRVUSD for use of school grounds for additional and local recreational uses, controls costs and maintains a higher level of local services.

10. Danville participates in the countywide library system, which results in cost savings to its residents while providing the local benefits of a much larger library system.
11. Fire protection services to the Town are provided by the San Ramon Valley Fire Protection District (SRVFPD). The District is funded through property tax revenues, which do not impact the Town's budget.

### **Opportunities for Rate Restructuring**

12. Danville reviews costs for services and fees each budget year and identifies any areas that may need additional review. No rates were identified with this MSR as either excessive or low.

### **Opportunities for Shared Facilities**

13. The Town of Danville has a joint development, maintenance, and management agreement with CSA R-7A for Hap Magee Ranch Park and a joint use agreement with the SRVUSD for use of local school facilities for recreation activities within the community.

### **Government Structure Options**

14. There are limited opportunities for changes to the existing government structure. The Town currently operates under the Council-Manager form of government, which is considered appropriate for a Town the size of Danville. Efficient and capable services are provided to Danville residents from the SRVFPD, CCCSD, EBMUD and Allied Waste Services.

### **Evaluation of Management Deficiencies**

15. The Town's government structure provides adequate levels of service to its residents and maintains cost. The Town prepares public documents for planning, CIP, parks master planning, and budgets. The Town appears to operate efficiently with a relatively lean staff and maintains a high level of service and standards.

### **Local Accountability and Governance**

16. The Town provides and maintains an extensive and easy-to-navigate website. The website provides information about the Town, events, meetings, projects, budget, and links to the Town newsletter. The website also contains agendas for Town Council, commission and committee meetings, as well as Summary of Actions for Town Council meetings. It would be helpful if staff reports, maps, and other attachments presented at these meetings were included on the website.
17. Town Council and commission meetings are recorded (audio only) with events/actions summarized through Summary of Actions, which are typically available for public review at the subsequent meeting.
18. The City Clerk and Town Treasurer provide oversight functions, including records management, Statement of Economic Interest filings, monthly financial reports, and oversight of travel expenses.

## **CITY OF LAFAYETTE**

### **General Statements**

- A. Lafayette has been proactive in addressing community needs, public services and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. The City is currently expending \$45 million on construction of a new library.
2. The City as part of its CIP continues to work on pavement repair and roadway improvements. The PCI rates Lafayette's streets with an index of 70, which is "good."
3. The City is currently deficient in the amount of improved parklands available to its residents; however, the City is planning on adding additional parkland acreage within the next several years through collection of Quimby Act Fees and mitigation measures.
4. All current City-owned improved parks are south of State Highway 24, which leaves significant inhabited areas north of the highway without local access to parks. This is especially true for residents who would utilize public transportation or walk to park facilities.

### **Growth and Population Projections for the Affected Area**

5. The City population is projected show an overall growth rate of 7% by 2030. This will bring Lafayette's population to approximately 26,000.
6. Growth will take place through annexation of lands within the existing 345 acres of SOI that are outside of current City boundaries and through infill development.
7. Undeveloped parcels remaining within the Lafayette boundaries face development challenges because of restrictive hillside development standards of the City.

### **Financing Constraints and Opportunities**

8. Lafayette's operating revenues exceed expenditures, with the City maintaining adequate capital reserves of 50% of General Fund revenues.
9. Increasing costs of contract services such as police protection will impact General Fund expenditures.
10. The City's CIP currently lists projects with a budget of \$7 million for FY 2008-09.

### **Cost Avoidance Opportunities**

11. Fire services to the City are provided by CCCFPD and are paid through assessments, fees for services, and a portion of the ad-valorem property tax increment. Fire services are not included in City's budget.

### **Opportunities for Rate Restructuring**

12. As part of the Lafayette's annual budget process, all City fees, cost for services, and mitigation is reviewed and updated as necessary to keep up with cost.

### **Opportunities for Shared Facilities**

13. The City is building a new \$45 million library and learning facility, which will be operated by the Contra Costa County library system.
14. The City currently contracts with the County Sheriff's department for police services. This allows for sharing of costly investigative, drug enforcement, and forensic facilities.
15. The City maintains a joint use agreement with the school district for use of school grounds when not in use by the schools. This increases the amount of recreational areas available for public use.

### **Government Structure Options**

16. There are no recommendations for any changes of government structure resulting from this MSR. The City operates as a general law city with a council/manager form of governance.
17. Future annexations of areas within the existing SOI would result in government structure changes for those residents, from County governance to local City governance.

### **Evaluation of Management Deficiencies**

18. The MSR identified no deficiencies within City management practices.

### **Local Accountability and Governance**

19. Lafayette provides and maintains an extensive website. This website provides information about the City, meetings, agendas, staff reports, minutes of meetings, budgets, CIP, the general plan, projects within the City, contact information, and general information of interest to the public. The City Manager provides a monthly update of affairs of the City on the City's website. Council members' email addresses are provided on the City's website, which provides additional access to the City's elected officials.
20. The City publishes "Vistas," a quarterly newsletter, which provides residents with information about events of interest.
21. The elected City Clerk provides oversight functions, including records management and the Statements of Economic Interest filings.

## **CITY OF MARTINEZ**

### **General Statements**

- A. The City has been proactive in addressing community needs, public services and infrastructure improvements.
- B. Determinations relating to the City of Martinez water and wastewater services were adopted by the Commission in June 2008 as part of the Central County Water and Wastewater Services MSR.

### **Infrastructure Needs or Deficiencies**

1. Existing Infrastructure – In general and with the exception of the City's roadways, City-owned infrastructure is functional and in good condition. City-owned infrastructure includes the water treatment plant, water storage reservoirs, transmission mains, storm drainage system, parks, community center, civic center, Rankin Park pool, senior center, John Muir Amphitheatre, and the marina.
2. The condition of the City's roadway infrastructure is rated "at risk," with a PCI of 57. "At risk" indicates serious deterioration of the roadway surface and impact upon the lower base layers.
3. The City's Downtown Specific Plan seeks to revitalize the Downtown area by retaining the small-town look and feel and making the Downtown area friendly to pedestrians.
4. The City's CIP currently list seven major projects with a budget of \$1.2 million for fiscal year 2008/09.

### **Growth and Population Projections for the Affected Area**

5. The City's growth rate has slowed, and it is anticipated that an overall growth rate of approximately 2.5% every five years will bring the population to 39,600 by 2020.

6. Vacant parcels and underutilized parcels within the City potentially could provide for 2,285 housing units.
7. Martinez has a jobs–housing balance of 1.02, which shows that the City has a balance between jobs and workers.

### **Financing Constraints and Opportunities**

8. The current budget allocates approximately 48% of its General Fund revenue to police services. This illustrates both the City Council’s commitment to public safety and the high costs of public services, such as police protection.
9. The City’s Enterprise Funds, which include water, parking, the marina and the John Muir Amphitheatre, are self-funding. These funds generally generate more in revenue than is required for expenses.
10. City expenditures for roadway maintenance appear to be inadequate to improve the condition of the public roads. The PCI rates City street conditions as “at risk.”

### **Cost Avoidance Opportunities**

11. Fire Protection within the City is provided by CCCFPD and are paid through a portion of the ad-valorem property tax increments collected by the District and are not included as part of the City’s budget.

### **Opportunities for Rate Restructuring**

12. As part of the City’s budget process, all City fees, charges, fines and user fees are reviewed and updated as necessary to keep up with costs.

### **Opportunities for Shared Facilities**

13. Martinez is a member of the County library system. As part of the library system, the City owns and maintains the library building and contributes an additional \$40,000 annually to enhance library operations.
14. The City has a user agreement with the Martinez Unified School District for use of school grounds for additional open space recreational areas after school hours.

### **Government Structure Options**

15. There are no recommendations for changes in governmental structure resulting from this MSR. The City operates as a general law city with a council-manager form of governance.
16. The City has irregular boundaries along Pine Street and within the Alhambra Valley areas. Unincorporated and inhabited territory within these areas is served by a mix of special districts and CSAs. Many of these areas would be difficult to distinguish from incorporated areas of the City that may lie just across a street or along a rear lot line. Martinez may wish to look at future governance options for these areas as, in some cases, municipal services may be more efficiently provided by the City.
17. As noted in the Central County Water and Wastewater MSR adopted by LAFCO in June 2008, the City of Martinez is providing water services beyond its corporate limits to approximately 1,500 connections. These services predate the requirements of Government Code section 56133, which requires LAFCO approval of extraterritorial service provision. Any new or extended water service outside the City’s jurisdictional boundaries is subject to LAFCO’s review and approval. These 1,500 water connections represent residents who do not have representation concerning policy, rates or governance of their water supply.

### **Evaluation of Management Efficiencies**

18. This MSR has identified no deficiencies within City management practices. Martinez maintains an efficiently sized staff to take care of City operations and maintenance of most City-owned facilities.
19. The City operates with a council-manager form of government. The City Council is elected, and the City Manager is hired by the Council to manage the day-to-day operations of the City.

### **Local Accountability and Governance**

20. The City maintains an easy-to-navigate website, which is kept current with meeting notices, minutes of meetings, and documents, such as the current budget and General Plan, and information about local events.

## **TOWN OF MORAGA**

### **General Statements**

- A. The Town has been proactive in addressing community needs, public services and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. Facilities infrastructure, including parks and public buildings, appears adequate to meet current needs.
2. Because of the location of Moraga and its roadway design, increases in traffic have caused congestion on several of the arterial roadways. This congestion has forced some traffic onto neighborhood residential streets. The Town has instituted a traffic calming policy, which involves synchronization of traffic signals, routing of traffic more efficiently, and placing traffic-restricting devices, such as speed bumps, on neighborhood streets.
3. A regional PCI has rated the Town's roadway infrastructure condition at 57. This is considered "fair condition" (50 to 69) and shows that the Town's roadway infrastructure is at risk. Future serious deterioration of roadways may result if sufficient funds are not expended to rebuild many of the aging streets within the Town.

### **Growth and Population Projections for the Affected Area**

4. Moraga has maintained a low growth rate since before it incorporated. Annual growth rates of approximately 0.5% are expected to continue to Town buildout. By 2030, Moraga's population is projected to reach 18,300, an overall growth rate of 11%.

### **Financing Constraints and Opportunities**

5. The Town has continued to realize budget shortfalls over the past several years and has used reserves to balance its budgets. The Town continues to seek State grants to help fund some services.

### **Cost Avoidance Opportunities**

6. The Police Department adopted 3/12 and 4/10 work schedules to help reduce overtime costs. This has resulted in improvements in service and lower cost through reduction in overtime.
7. Fire services within the Town are provided by the Moraga Orinda Fire District (MOFD), an independent special district. Fire services are paid through a portion of the ad-valorem property tax increment collected by the District. Fire services are not included as part of the Town's budget.

### **Opportunities for Rate Restructuring**

8. The Town recently reviewed fees for services and rentals and has adjusted rates to offset costs.

### **Opportunities for Shared Facilities**

9. The Town contracts with County Sheriff's dispatch services and 9-1-1 call services.
10. The Town has contributed funds to the school district for use of fields during non-school hours and weekends, providing additional park and recreational opportunities for Moraga residents.

### **Government Structure Options**

11. There are no recommendations for any changes in governmental structure resulting from this MSR. The Town operates as a general law Town with a council/manager form of governance.

### **Evaluation of Management Deficiencies**

12. This MSR identified that the Town has transferred funds from reserve accounts to balance the Town's budget, which is standard practice in governmental financial accounting.
13. The Town maintains a lean staff structure and requires maintenance personnel to be cross-trained in several jobs. Lean staffing exists across all departments, which requires staff to take on a variety of tasks and responsibilities, as well as to learn new skills.

### **Local Accountability and Governance**

14. The Town maintains an easy-to-use website, although information contained on the website is sometimes outdated. The FY 2009-10 Town budget is available on the website.

## **CITY OF ORINDA**

### **General Statements**

- A. The City has been proactive in addressing community needs, public services, and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. The condition of the Orinda's roadway infrastructure is rated at "poor", with a PCI rating of 47. It is estimated that by 2011, the PCI rating will fall to 41. The City is expending significant portions of its CIP funds on roadways but those funds are still inadequate to meet the needs.
2. The City's storm drain system is nearing the end of its design life and needs improvements or replacement to increase capacity and extend useful life.
3. The water system in the City is old, with areas within the City unable to maintain adequate fire flow requirements. Fire flow improvement needs identified by the MOFD include needs for water mains to be upgraded to six-inch-diameter mains, and upgrades to hydrants in some areas in Orinda that have low pressure and capacity. This issue is addressed in the Contra Costa County Fire and EMS MSR (April 2009).

4. City funding is not sufficient to cover all necessary upgrades and repairs to its infrastructure, and a bond measure may be necessary to fund improvements. On two occasions, the Orinda has attempted to pass bond measures worth over \$59 million, with both efforts failing to reach the required two-thirds voter approval.
5. Orinda has adopted a service standard of five acres of parkland or open space per 1,000 residents. The City is deficient in improved parkland acreage per 1,000 residents, with 17,540 residents and only 22 acres of improved parklands. Parkland acreage deficiency is partly offset by contractual arrangements with the school district allowing joint use of school grounds when schools are not in session. While the City requires dedication of parkland or payment in lieu on all new development, the limited amount of land available for potential development limits fee generation potential.
6. The City's CIP currently lists 34 projects with a budget of \$6 million in FY 2008-09.

### **Growth and Population Projections for the Affected Area**

7. Because of high housing cost and limited development potential, Orinda experiences lower growth rates than other cities in the County. An overall growth rate of 5% by 2030 (annual average 0.22%) is expected.
8. The City's adopted SOI is coterminous with the city limits, restricting future annexations, with growth taking place through infill development. It is estimated that the City is currently at 90% build out.

### **Financing Constraints and Opportunities**

9. Orinda faces significant challenges in finding resources for infrastructure repair. The City is pursuing several State and federal grants for roadway and infrastructure needs. In the future, the City may return to its voters seeking approval of a future bond measure. Without new funding sources, the City will fall short of meeting infrastructure rehabilitation costs.
10. Cost for services, both from City departments and for contract services, are increasing, while revenues are remaining relatively flat.

### **Cost Avoidance Opportunities**

11. Fire services within the City are provided by the MOFD and are paid through a portion of the ad-valorem property tax increments collected by the district. Orinda does not include costs for fire services in its budget.

### **Opportunities for Rate Restructuring**

12. As part of Orinda's budget process, City fees are reviewed and updated as necessary to keep up with costs.

### **Opportunities for Shared Facilities**

13. The City shares recreation facilities and maintenance yard facilities with the Orinda Union School District.
14. The City's contract with the County Sheriff's Department provides a range of available resources that would be beyond the availability of a smaller local police department to provide. These services include access to the Sheriff's investigative resources, narcotics investigation teams, and special weapons and tactics team.

### **Government Structure Options**

15. There are no recommendations for any changes in governmental structure resulting from this MSR. The City operates as a general law city with a council/manager form of governance.

### **Evaluation of Management Deficiencies**

16. The MSR has identified no deficiencies within City management practices. Orinda maintains a balanced budget, has an easy to navigate website with current information available to City residents, and maintains a low employee-to-resident ratio.

### **Local Accountability and Governance**

17. The City provides open government for its citizens with many opportunities for public participation. The City's website is well maintained and updated; it includes agendas, minutes, and general information about each City department.
18. The City maintains community ties with local civic organizations and provides information for the monthly publication *Orinda News*, which is sent to every resident and provided to many businesses within the City.

## **CITY OF PLEASANT HILL**

### **General Statements**

- A. The City has been proactive in addressing community needs, public services and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. The City's roadways have an overall PCI rating of 65, which is in the "fair" grade. Tight budgets are impacting roadway maintenance programs, which will negatively impact roadway quality in the future.
2. The overall infrastructure of the City is in relatively good shape, with buildings and storm water drainage systems in good repair, adequate in size and function.

### **Growth and Population Projections for the Affected Area**

3. Pleasant Hill is largely built out, with growth projected to be less than 0.5% annually through 2030. By 2030, the City is expected to attain an overall population of 36,100, which is an overall growth of 7.6% from the current population of 33,380.
4. The City has limited vacant land, with 200± acres available for development within its boundaries and SOI.
5. Many parcels within the northern SOI area are developed with low-density residential development. City and County zoning and General Plan land use designations within the SOI preclude intensive residential development.
6. Growth within the corporate boundaries of Pleasant Hill will take place through development on several currently undeveloped parcels, totaling 200± acres. Of those 200 acres, 82% are zoned for residential development of various densities. Additional growth will take place through upzoning underutilized parcels.

### **Financing Constraints and Opportunities**

7. The City has historically maintained a fiscal surplus of revenues to expenses.
8. The current recession has affected City revenues; the City has taken steps to reduce expenditures by delaying projects within the CIP, not filling vacant staff positions, and cut funding for street maintenance.

### **Cost Avoidance Opportunities**

9. Fire protection costs are borne by the CCCFPD and are not a part of the City's budget.
10. Future water and wastewater MSRs should address the Diablo Vista Water Authority.

### **Opportunities for Rate Restructuring**

11. The City reviews fees and cost annually as part of its budget process. Revisions to fees and charges for service are made as required. No other rate restructuring opportunities were identified with this MSR.

### **Opportunities for Shared Facilities**

12. The City directly shares maintenance facilities and offices with the PHRPD.
13. The City owns the Pleasant Hill branch library, which is operated by Contra Costa County library system.

### **Government Structure Options**

14. There are limited opportunities for changes to the existing governmental structure. The City operates under a Council-Manager form of government. The City is receiving efficient and capable services from CCCFPD (fire), CCCSD (wastewater collection and treatment), EBMUD (water service west of Pleasant Hill Blvd.), Contra Costa Water District (water services to majority of City), the Diablo Vista Water Authority (water service to Poet's Corner neighborhood), PHRPD (recreation and parks), and Allied Waste Services.
15. Any future City annexation should review boundaries of the PHRPD to determine if annexation to the District is necessary to preserve consistent service provision citywide.
16. Future water and wastewater MSRs should include the Diablo Vista Water Authority.

### **Evaluation of Management Deficiencies**

17. The MSR has shown that Pleasant Hill is well managed and operates efficiently.

### **Local Accountability and Governance**

18. The City maintains an excellent and easy-to-navigate website, which provides information about meetings, activities, policies, City departments, and information of local interest.
19. The elected City Clerk and City Treasurer provide oversight functions (i.e., records management, Statements of Economic Interest filings, filings of monthly financial reports, oversight of travel expenses).

## **CITY OF SAN RAMON**

### **General Statements**

- A. The City is proactive in addressing community needs, planning, public services and necessary infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. San Ramon consults and jointly plans on infrastructure projects with the several special districts that provide service within the City. This has aided the City in its infrastructure planning efforts.
2. The City's infrastructure, including facilities, parks, roadways, and trails, is well maintained, relatively new, and in good condition overall.
3. The City uses a system of letter grades to evaluate traffic congestion on surface roads and intersections, with A being the highest service standard and F being the lowest. San Ramon currently has no streets operating below a D level of service, with the majority operating at a C level or higher.
4. A countywide PCI shows that, on average, City streets have a rating of 73. This means that dedicated City streets are rated to be in good overall condition.

### **Growth and Population Projections for the Affected Area**

5. Most population growth in Contra Costa County is projected in the East County and the Tri-Valley area, which includes the City of San Ramon. Over the next 12 years, City population is projected to increase by 61% to approximately 96,000, inclusive of the City's Planning Area. This growth rate anticipates continued annexations within the Dougherty Valley Specific Plan as well as infill development.
6. San Ramon planning documents estimate that residential buildout is at approximately 62% to 64%, and should reach residential buildout at approximately 2020 if current population estimates and development are realized. These assumptions are based upon existing SOI boundaries.
7. The City anticipates an annual growth rate of 1.5% to 2.2% over the next 12 years.

### **Financing Constraints and Opportunities**

8. City expenditures exceed revenues, requiring funding shortfalls made up by use of reserve funds. The City's budget reserve is established by City Council policy and is included as part of the City's budget process.
9. The Dougherty Valley Settlement Agreement established a funding mechanism that provides revenues for maintenance and other services within the Dougherty Valley Specific Plan. This is in recognition that this area will annex into the City of San Ramon, and these revenues are intended to help to relieve some of the service cost burden from the City of San Ramon.
10. The City may wish to explore using a multi-year budgeting process. This would allow the City to better anticipate and plan future budget requirements and projected revenue over a longer budget window.

### **Cost Avoidance Opportunities**

11. The City recently established its own Police Department and ended its service contracts with the County Sheriff's Department. This was done after studies showed that the City would save in pension and retirement benefits and would be able to increase service levels with the cost savings.
12. The City is provided fire protection services by SRVFPD. District services are not funded through the City budget.
13. The City participates in a number of joint powers and joint use agreements with the SRVUSD, which results in cost savings.

### **Opportunities for Rate Restructuring**

14. The City reviews service costs, fees, and user charges as part of its annual budget process.

### **Opportunities for Shared Facilities**

15. The City has joint-use agreements with the SRVUSD for joint use of facilities at every school site in San Ramon, in conjunction with the City's recreation and parks programs. This includes the aquatic center and performing arts center.

16. The City is a member of the countywide library system. The City provides the facilities and augments operational costs to provide a high level of service and local programs.

17. The City utilizes the County's Sheriff's dispatch and 9-1-1 emergency call center for the City's Police Department.

### **Government Structure Options**

18. Areas within San Ramon's SOI currently receive enhanced police services through CSA P-6 and street lighting through CSA L-100. When these areas develop and annex to the City, they will detach from the CSAs.

19. The City of San Ramon adopted a City Charter in November 1997. A charter city has legislative power authority for local municipal affairs that is different than the powers of a general law city.

20. The City operates with a council/manager form of governance, with an elected mayor.

### **Evaluation of Management Efficiencies**

21. The City is divided into seven functional departments; all departments participate in the budget process.

### **Local Accountability and Governance**

22. San Ramon maintains an extensive website, which is frequently updated and easily navigated. The City posts notices of meetings, minutes of meetings, current information about the City, the quarterly newsletter, information on local events, emergency preparedness, and links to all City departments on its website.

23. Citizens may view Council meetings at home via local cable television channels or access meeting information via the City's website.

24. Citizen participation in the governance has led to a locally adopted City Charter as well as a locally adopted Urban Growth Boundary.

## **CITY OF WALNUT CREEK**

### **General Statements**

A. The City has been proactive in addressing community needs, public services, and infrastructure improvements.

### **Infrastructure Needs and Deficiencies**

1. In general the City's existing infrastructure—streets, storm drain system, 19 parks, City-owned buildings, including the Civic Center, Public Safety Center, Leshner Center for the Performing Arts, Community

Centers, two library buildings, and public golf courses with club house— meet acceptable standards for functionality and safety.

2. The City maintains an extensive CIP that is updated annually to reflect completed projects and addition of new projects.
3. The City has three “island” areas and one “functional island” where service provision would be improved if service was provided by the City. These island areas become more costly and inefficient for the County to serve which, over time, may impact local infrastructure.

### **Growth and Population Projections for the Affected Area**

4. Walnut Creek’s population is projected to grow from its current 65,310 persons to approximately 75,900 persons by 2030, an overall increase of 16%. This is consistent with the low growth rate of many of the cities within Central County. The City has approximately 2,700 acres within its current SOI, which includes three unincorporated islands that are surrounded by the City, and five areas that are around the perimeter of the City. Many of these SOI areas are inhabited and many are near residential buildout.
5. Over the years, Walnut Creek residents have expressed concern over growth and traffic congestion, and have passed voter initiatives that limit building height. The City’s General Plan adopted in 2006 includes a Growth Limitation Program to address these concerns.
6. The City is well served by major freeways, public transportation, and a dense urban core. ABAG estimates that Walnut Creek has a positive jobs-to-employee ratio of 1.59 making the City job rich.

### **Financing Constraints and Opportunities**

7. The City historically operates with a reserve, retaining 25% of revenues as unencumbered and unspent. The reserves are established as part of the budget process. The City utilizes a two-year budget, which allows the City to anticipate future budget demands and revenue projections. The current recession has impacted both revenues and costs of services within the current 2008-09 budget. The City, in a mid-year budget review, is addressing these impacts for both the FY 2008-09 and the 2009-10 budgets.

### **Cost Avoidance Opportunities**

8. Fire protection service is provided by the CCCFPD. Fire services are paid through the District’s collection of a portion of the ad-valorem property tax increment and are not included within the City’s budget. Levels of service provided appear adequate and meet the needs of the City.

### **Opportunities for Rate Restructuring**

9. The City reviews fees, cost for service, franchise fees and user fees as part of the bi-annual budget process. The City also utilizes boards and commissions to identify potential service issues and costs.

### **Opportunities for Shared Facilities**

10. The City has joint-use agreements with the school districts (there are four school districts within the boundaries of the City) for joint use of grounds in conjunction with the recreation activities within the City.
11. The City participates with the countywide library system and houses two branch libraries within the City. The City is currently funding the construction of a new and modern library, with completion estimated in 2010. Upon completion, the branch will be operated by the County library system.

### **Government Structure Options**

12. There are no recommendations for any changes in governmental structure resulting from this MSR. The City operates as a general law city with a council/manager form of governance.
13. The City has nine areas of SOI that are outside of the City limits. Three of these areas are islands of unincorporated territory surrounded by the City. Most of the SOI areas are inhabited, and many are indistinguishable from areas of the City that border these areas. Island areas are of particular concern to LAFCOs because of long-term service delivery and cost issues.

### **Evaluation of Management Deficiencies**

14. This MSR has identified no deficiencies within City management practices. The City maintains a balanced budget and has an easy-to-navigate website with current information available to residents.

### **Local Accountability and Governance**

15. The City provides open government for its citizens with many opportunities for public participation. The City's website is easy to access, is frequently updated, and contains agendas, minutes, and general information about each City department.
16. The City Council meetings are broadcast live on the internet and local cable TV channels.
17. The elected City Clerk and City Treasurer provide oversight functions, including records management, Statement of Economic Interest filings, filing of monthly financial reports, and oversight of travel expenses.

## **DIABLO COMMUNITY SERVICES DISTRICT (CSD)**

### **Infrastructure Needs and Deficiencies**

1. The District owns no infrastructure; its purpose is to maintain roadways, provide enhanced police protection services, and maintain a small section of public trails for recreational needs.
2. Evaluation of roadway condition is performed under contract with a private engineering firm: MCE. MCE is contracted to monitor roads and coordinate needed repairs and resurfacing. Additional oversight is performed by the District Manager and board members, who also monitors local roadway conditions.

### **Growth and Population Projections for the Affected Area**

3. The CSD will grow by an anticipated rate of less than 1% by 2030. The small size of the District's boundaries, existing approved subdivision of lands, and environmental constraints leave little undeveloped open space territory within the District's boundaries for future development.

### **Financing Constraints and Opportunities**

4. District revenues, which primarily come from property tax allocations, remain relatively flat with little growth.
5. Cost for service provision is increasing but does not exceed revenues generated annually.

### **Cost Avoidance Opportunities**

6. The District avoids costs related to benefits and other employee expenses by contracting for police service, engineering, CEQA review, and administrative services. Presently, the District's legal counsel also serves as General Manager, which results in cost savings.
7. Elected board members receive no stipend for serving on the board.

### **Opportunities for Rate Restructuring**

8. The CSD charges fees for road maintenance and security through a parcel tax, which is assessed annually on the property tax rolls.

### **Opportunities for Shared Facilities**

9. The CSD does not have any facilities and contracts for all services provided within the District's boundaries.

### **Government Structure Options**

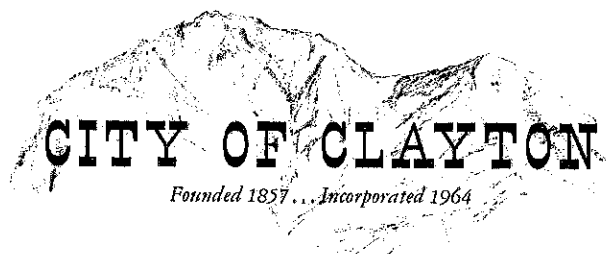
10. The District was formed and functions as a funding mechanism for the provision of enhanced police, roadway maintenance, and recreational services.
11. The services of the District overlap CSA P-6, which also provides enhanced police protection services.

### **Evaluation of Management Efficiencies**

12. The CSD does not have any employees. The District's contract legal counsel provides all management and administrative services.
13. The District may wish to consider contracting with an independent auditor or other financial agent to ensure subrogation of duties.
14. At some future point in time, the current contracted legal counsel/General Manager will retire, and succession plans do not exist. The CSD is in the process of developing personnel procedures that will address the transition upon retirement of the General Manger.
15. The District is investigating the establishment of an office that would be open to the public part time.

### **Local Accountability and Governance**

16. The CSD does not currently have a website; however, it is in the process of developing one. Upon launch of its website, the CSD should begin posting meeting notices, minutes, and information about the District.
17. Meetings notices are posted at the Diablo Post Office. The CSD meets monthly in the Diablo County Club.
18. The District's records are maintained out of the legal counsel/general manager's home.



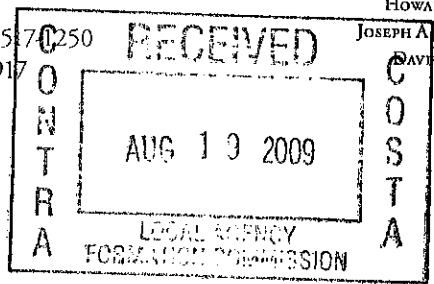
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City Council  
JULIE K. PIERCE, MAYOR  
HANK STRATFORD, VICE MAYOR  
HOWARD GELLER  
JOSEPH A. MEDRANO  
DAVID T. SHUEY

August 17, 2009

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



**Re: Clayton Comments on the July 2009 Public Review Draft Contra Costa LAFCO Central County Sub-Regional Municipal Services Review Document**

Dear Ms. Texeira:

The City of Clayton appreciates this opportunity to review and officially comment on the July 2009 Public Review Draft Municipal Services Review (MSR) document recently released by LAFCO for the Central County Sub-Region. Our review and comments focus on the portion of the draft that pertains to the City of Clayton. Previously, our staff reviewed and commented on the Administrative Draft MSR for Clayton. We understand that a primary purpose of this MSR update is to assure the information regarding the services provided by the various jurisdictions, including Clayton, and the organizational descriptions of the various jurisdictions is accurate and up-to-date. Additionally, the MSR update involves an evaluation of the spheres of influence (SOI) of the various jurisdictions.

Our staff's comments regarding the Administrative Draft MSR related to providing information requested by the representatives of the consulting firm preparing the update concerning the organizational composition and services provided by Clayton. Additionally, our staff strongly noted our City's preference to retain the existing Clayton SOI. The Administrative Draft MSR for Clayton contained only two options for addressing Clayton's SOI: 1) Retain the Existing SOI; or 2) Amend the Existing SOI to Match the Adopted Urban Limit Line (ULL). Option 2 would contract the City's SOI, eliminating key areas including the CEMEX Quarry property, portions of the City's Marsh Creek Road Specific Plan Area, and portions of the Mt. Diablo State Park property. Our staff correctly affirmed Clayton's preference is to retain the City's existing SOI, which has been referred to for more than 25 years for numerous Contra Costa LAFCO and City of Clayton actions, including actions involving annexations.

Clayton's existing SOI is depicted and repeatedly referenced in our City's adopted 1985 General Plan. This fact was communicated by our staff both at a July 8, 2009 LAFCO meeting to receive comments on the Administrative Draft MSR document and in writing in a July 14, 2009 letter from Clayton Community Development Director David

Woltering to representatives of the consulting firm, DUDEK, preparing the MSRs for LAFCO. The staff letter outlined the areas of primary interest to the City of Clayton to retain in the existing SOI: 1) the area southeast of the City associated with the 1995 adopted Marsh Creek Road Specific Plan; and 2) the CEMEX Quarry property. The CEMEX Quarry property represents an extremely important matter of social, economic, and long-term community of interest for Clayton. Access to this quarry is directly and solely through the City of Clayton and the impact of that access and the operations of the quarry directly affect Clayton citizens. Given considerations of the point of access, geography, proximity, and influence on the City of Clayton and its residents, we maintain this property is of social, economic and community of interest for our City. Accordingly, it is an area that Clayton would logically annex and serve and should remain within the City's SOI.

The area associated with the adopted Marsh Creek Road Specific Plan is also of significance to the interests of the City of Clayton. This 475-acre planning area was carefully studied and sensitively planned for future development by the City of Clayton during the early to mid-1990s. The subsequently-adopted ULL in this area is not coterminous with some of the property boundaries within this Specific Plan area. Moreover, there are opportunities for transference of allowable building densities onto portions of properties that could receive those densities which would not be possible if not within the City's SOI and capable of annexation. Retaining the City's existing SOI in this area would allow for the implementation of our adopted Specific Plan and, at the same time, honor the limitations and objectives of the ULL along with long term interests of the private property owners. This geographic situation was a matter of particular discussion and negotiation in 2006 when the recommended ULL was in draft preparation amongst City and County officials.

In response to our staff's previous comments regarding the Administrative Draft MSR, a third option has been added in the Public Review Draft MSR by the consultants to reduce the City's SOI only by extracting the area of the Mt. Diablo State Park to be coterminous with the Urban Limit Line (ULL). The existing SOI as it currently relates to and includes the CEMEX Quarry property and the Marsh Creek Road Specific Plan area would not be altered. This option is referred to as the "City-requested option." The City of Clayton finds this option acceptable and requests that Contra Costa LAFCO adopt this option for Clayton.

While the consultant that prepared the MSR update is recommending the selection of the option that amends the Clayton SOI to be coterminous with the Urban Limit Line (ULL) in all areas, the City of Clayton believes that there are special circumstances that warrant selecting the "City-requested option." The consultant's recommendation suggests that there are no areas outside the ULL and within the SOI in the Marsh Creek Road Specific Plan Area that are designated for potential development. This is not the case. Outside the ULL but within the current SOI in the Marsh Creek Road Specific Plan Area there are properties designated LD (Single Family Low Density Residential) and RD (Rural Estate). It is important to the associated property owners and the City of Clayton that the development opportunities of this adopted Specific Plan not be precluded by contracting

the SOI in this area which would be the result with the selection of the consultant-recommended option.

With respect to the other key area we have identified as wanting to retain within our existing SOI, the CEMEX Quarry property, this property's immediate proximity to and impact upon Clayton and being exclusively accessed through the Clayton community, have suggested the long-accepted position, as reflected in the existing Clayton SOI, that this property would be a part of Clayton's physical boundaries and service area. The State Government Code section 56076 does not refer to a limited planning horizon of 5-10 years for determining an SOI, but, rather, that a LAFCO use the SOI as a plan for the probable physical boundaries and service area of a local government agency. The SOI is a tool to achieve logical and orderly long-range planning. The ULL may be used as the more appropriate tool for shorter term planning. The City of Clayton strongly believes that it is vitally important to clarify in terms of generally accepted long-range planning assumptions that the CEMEX Quarry property logically and appropriately will be within Clayton's physical boundaries and service area.

I would like to also mention that the Governor's Office of Planning and Research (OPR) encourages in its municipal service review guidelines at [www.opr.ca.gov](http://www.opr.ca.gov) that LAFCOs collaborate and coordinate with all stakeholders, including affected government agencies and members of the public, when preparing MSRs. The City of Clayton believes that there are special circumstances, based on the rationale provided above, that warrants the selection of the "City-requested option" to reduce the Clayton SOI only in the Mt. Diablo State Park Area.

Finally, during the preparation of this MSR update the Contra Costa LAFCO staff commented to Clayton staff they were not able to locate the original resolution or documentation that established the Clayton SOI. As mentioned above, the existing Clayton SOI is depicted and referenced many times in Clayton's adopted (1985) General Plan and this SOI has been the basis for numerous Contra Costa LAFCO and City of Clayton actions, including annexations, over the past 25+ years. We believe this SOI was properly established. As matters of fact, I have attached copies of regional news articles from the early 1970s that specifically reference official action taken to establish our existing SOI.

Should you have any questions regarding this comment letter, please do not hesitate to contact me through City Hall.

Sincerely,



Julie K. Pierce  
Mayor

cc: Clayton City Council Members and City Manager

Attachments: Four (4) Newspaper Articles From 1972-1973

# Boundaries

10-27-72 CC Times

## L AFC To Study Ambitious Scheme

Orinda, Moraga and Lafayette should be combined into one city, according to a report on city boundaries county-wide which will go to the Local Agency Formation Commission next week.

Joseph Connery, L AFC executive officer, also said in his recommendations that Martinez boundaries should move east to the Walnut Creek (creek) Channel, taking in all of the Shell Oil Refinery, and that Concord should get the Phillips Oil Refinery and Port Chicago.

Pleasant Hill would get the rapid transit station area north of Treat Boulevard, and Walnut Creek would fill in its boundaries.

Connery left open the possibility of Walnut Creek expanding to the south, explaining he did not make a recommendation here because of the possible incorporation of the San Ramon Valley into a city.

Connery believes the commission mandate to draw spheres of influence will revolutionize the county government structure. He expects a lot of opposition to his proposals.

"Your executive officer believes that certain boundary segment recommendations will be controversial and would be controversial where ever drawn," he wrote commissioners in his report.

"The recommended and probable ultimate physical boundaries of the existing cities here presented to your commission are, in the judgment of your executive officer, realistic and possible."

The five-man commission cannot force cities, landowners or industries to annex along the lines recommended.

However, by drawing ulti-

cities and special districts from expanding beyond certain points.

While the commission cannot initiate annexation, it can stop them. It can also halt the formation of new cities.

Clear boundaries are also expected to bring more order to the planning process.

Developers with unincorporated parcels near a city or between two cities often sound out the planning agencies for the best deal.

Conversely, cities often try to attract choice parcels through deals with property owners.

Here is a breakdown of Connery's recommendations.

—Martinez would run east

to the Walnut Creek Channel, south to Highway 4, west to the present city line and include the Alhambra Valley area. These boundaries would eliminate the proposed City of Muir.

—Pleasant Hill would be bounded on the west by Taylor Boulevard and Reliez Valley Road. The city would also take in Pacheco.

—Lafayette, Orinda and Moraga combined would "stand an excellent chance to survive as a low density residential area as its current residents appear to wish it to be," Connery said.

—Walnut Creek should be expanded to include the areas within the present boundaries.

—Concord should expand northwest to include Buchanan Field and the territory east of the Walnut Creek Channel.

—Clayton should be a part of Concord "but as this is probably unlikely in the foreseeable future," it is recommended that the city expand along lines previously submitted. Connery wrote

Pittsburg should move east to the naval weapon station property line, taking in West Pittsburg. Connery did not draw a boundary between Antioch and Pittsburg since the two are fighting that question out in court.

Antioch should expand east to the vicinity of Bridgehead and Neroly roads. "Southward expansion should be limited at this time," Connery said.

# LAFC To Consider City Influence Areas Today

TIMES 5-16-73

## County Bureau

How doth a city grow? With money, annexations, and homebuyers fine, sewage, water and electric line.

How doth it not grow? Well, as any developer can tell you, without sewage and water lines there can be very little hammering, sawing or pouring of concrete.

Thus the importance of the Local Agency Formation Commission's (LAFC) hearings on "spheres of influence," the commission is now drawing boundaries, spheres, beyond which it will be difficult to get water and sewer service.

On Wednesday, it will continue discussion of city boundaries in the area of north Pleasant Hill, north Concord and Martinez. The meeting starts at 2 in the afternoon in the board of supervisors chambers, county administration building, Pine and Escobar streets, Martinez.

Joseph Connery, LAFCO chief executive officer, predicts the commission's action on spheres of influence will revolutionize county and city planning. Here's how the process works.

The commission first adopts a map showing the ultimate boundaries of all county cities.

Connery has already submitted his recommendations. They include consolidating Lafayette, Orinda and Moraga, and giving Concord the naval weapons station.

Then, the commission decides the boundaries of sewer

and water districts. Connery says these will generally follow the city lines, so the city discussions become the crucial ones.

In drawing lines, the commission cannot force everyone now outside a city or special district into one. The weapons station, for example, would not become part of Concord unless the Navy decides to annex to the city.

But say someone wanted to develop in the foothills of Mt. Diablo and he found himself outside the ultimate boundaries of the Central Contra Costa Sanitary District. There is little chance he could annex to get sewer service.

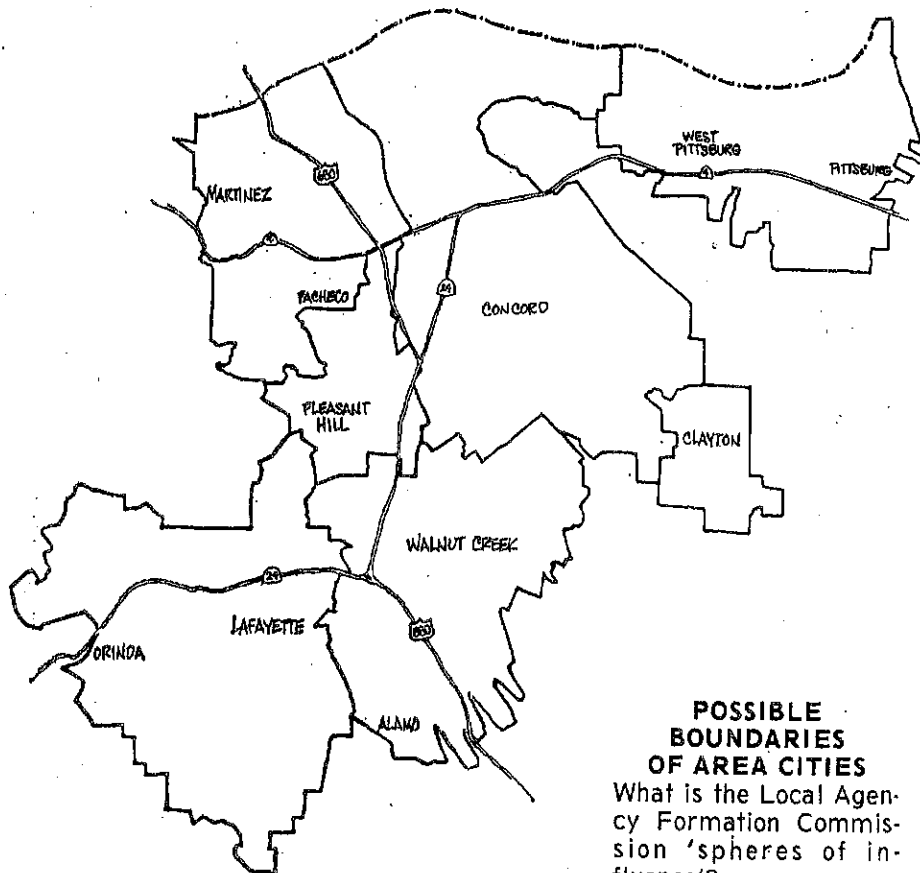
Blackhawk Ranch, the Devil Mountain project and the Newhall property all in the Danville area could find themselves without sewer and water service depending on where the boundaries are drawn.

Eager to expand their control, some cities are now

pressing the county to yield its planning power within spheres of influence to the individual cities.

Also the county planning department is looking to use the spheres as part of its general plan to protect open space.

Finally, the Mayors Conference will soon make a decision whether to ask the board of supervisors to allocate park dedication funds on the basis of spheres of influence. Walnut Creek, under this plan, would receive the park money for development that has taken place just over its borders.



**POSSIBLE BOUNDARIES OF AREA CITIES**  
What is the Local Agency Formation Commission 'spheres of influence'?

## CENTRAL CONTRA COSTA

# Cities' Boundaries Fixed

MARTINEZ — The Contra Costa County Local Agency Formation Commission has approved ultimate boundary lines for central county cities, ignoring a request from Lafayette that its boundaries follow the ridgelines.

Its decisions on the common boundaries of Pleasant Hill, Lafayette and Walnut Creek were almost identical to those proposed earlier by LAFCO executive officer Joseph Conery.

Although the commission had planned to delay a decision on the common boundaries of Walnut Creek, Concord, Clayton and Pittsburg, it acted on everything except for an area which includes the Concord Naval Weapons Station. There was no dispute on

any territory except the station, which is wanted by both Concord and Pittsburg.

The commission will move to the eastern county on July 13 when it will discuss common boundaries for Pittsburg, Antioch and Brentwood. Its actions do not automatically annex unincorporated land to a city, but they do determine which city will get which land if it is annexed.

The following ultimate boundaries, which are to stand until 1980 unless special circumstances arise, were set yesterday:

—The hills west of Lafayette will be left unincorporated.

—The Lafayette-Pleasant Hill boundary will run along Withers Avenue, then follow Taylor Boulevard and Pleas-

ant Hill Road south to Walnut Creek. Because of the controversy surrounding this line, however, the commission said it will review the decision if the residents seek annexation before 1980.

—The Lafayette-Walnut Creek boundaries essentially will follow the school district lines north of highway 24, and will follow the present Walnut Creek boundary south of the freeway.

—The Pleasant Hill Bay Area Rapid Transit District station, now in an unincorporated area, will go to Pleasant Hill.

—The southeastern boundaries of Concord and Walnut Creek will extend to land which has been placed in agricultural preserves.

—Clayton will get the quarry area west of Mitchell Canyon Road, and two residential areas between Clayton and Concord will have a choice of either city if they decide to annex.

—Concord's other boundary will extend to the hills north of the city.

—No action was taken on the Pleasant Hill Manor subdivision adjacent to the SunValley shopping center in Concord. Representatives of Concord and Pleasant Hill said they may be able to come up with a boundary agreeable to both cities. 6-22-73

TRIB.

# Future City Boundaries Designated

By JO MURRAY  
Tribune Staff Writer

MARTINEZ—The Contra Costa County Local Agency Formation Commission has set mutual boundary lines for Martinez, Pleasant Hill and Concord and moved on to discuss the joint boundaries of Lafayette, Walnut Creek and Pleasant Hill.

The boundaries approved followed the proposals of LAFCO Executive Officer Joseph Connery to the letter, except for a small area between Martinez and Pleasant Hill.

Commission members also decided that the ultimate boundary lines will stand until 1980, although small exceptions may be made. Their action does not automatically annex unincorporated land to a city, but it does determine which city will get which land if it is annexed.

The decision gives Concord the Phillips refinery and some waterfront, while the Shell and proposed Urich oil refineries will go to Martinez. The agricultural land in the Franklin Canyon and Alhambra Valley area west of Martinez is to be left unincorporated, and the community of Pacheco will go to Pleasant Hill.

The future of the Concord Naval Weapons Station and its potentially valuable waterfront, which Connery has said should go to Concord, will be discussed June 20 when the commission tackles the boundaries dividing Clayton, Concord, Pittsburg and the southeast side of Walnut Creek. A decision on the Walnut Creek, Lafayette and Pleasant Hill boundaries also is to be made on that date.

The central county boundaries attracted far more comment than this week's decision, which drew major opposition only from backers of the proposed City of Muir in the Pacheco area.

Most of the discussion concerned whether Lafayette boundaries should follow the ridgelines or the existing boundaries between school districts and postal zones, and whether the Pleasant Hill Bay Area Rapid Transit Station,

now in an unincorporated area, should go to Pleasant Hill or Walnut Creek.

Connery has proposed that the northern boundary of Lafayette remain as it stands, saying that the hills have virtually no water or sewage service and putting the land in the city could hasten development.

He also has suggested a Lafayette boundary running along Withers Avenue, then following Taylor Boulevard and Pleasant Hill Road south to Walnut Creek.

Noting that his community is "hardly accused of being development-oriented," Lafayette City Councilman Ned Robinson argued that the boundary lines should be drawn to follow the "viewsheds," rather than the streets. "We feel you should have consistent development on either side of the valley," he explained.

He asked that the northwestern hills be included in the city and that the northern boundary be moved to the ridgeline between Withers Avenue and Grayson Road.

Both that area and the Acalanes High School area also should be in Lafayette, he added, to conform with the school districts and postal zones.

Walnut Creek favors Connery's boundary line with the southern part of Lafayette, but also wants the BART station on the grounds that it is surrounded by the city on three sides.

However, Pleasant Hill City Manager James Alkire argued that his city should get the station because most of the road access is from that side and some businesses in the area have arrangements under which they use Pleasant Hill police services. He said the city also would like to have some access to Briones Regional Park.

About half a dozen residents spoke in favor of moving the Withers Avenue boundary further north and including the Acalanes High School area in Lafayette.

Several persons from Bookwood Acres noted that the Withers boundary would split the subdivision, and said they would prefer to be in Lafayette if the area were to be annexed.

Residents near Acalanes High School cited the difficulty of improving the safety of Pleasant Hill Road when they had to work with two different cities.

A recent state law requires the commission to set the ultimate boundaries, which are designed partially to keep developers from shopping around for the least stringent requirements before they seek annexation.



## CITY OF SAN RAMON

2222 CAMINO RAMON  
SAN RAMON, CALIFORNIA 94583  
PHONE: (925) 973-2500  
WEB SITE: [www.sanramon.ca.gov](http://www.sanramon.ca.gov)

**RECEIVED**

*By ksibley at 2:57 pm, Aug 20, 2009*

August 20, 2009

Lou Ann Teixeira  
Executive Officer,  
Contra Costa County LAFCo  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, Ca 94553

Dear Ms. Teixeira:

RE: Public Review Draft - Central County Subregional Municipal Services Review

As you are aware, over the past few months City staff has been working with LAFCo staff to understand the LAFCo policies that the Commission must consider in modifying a city's SOI. It is our understanding that expansion is discouraged if no development is proposed for a 5 to 10 year period; however, during the consultant presentation on July 8, 2009 it was noted that a city's SOI should be reduced if no development is contemplated within 20 years. Per our request at the July 8 workshop, we had anticipated that this information would be made available prior to or concurrently with the release of the public review draft of the MSR so we would have an understanding of the policies and prepare our comments accordingly. To date we have not received a response to our request and are unable to appropriately respond to the request for comments pending clarification of LAFCo's policies regarding modification of an SOI and if it is more or less restrictive than Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).

The City of San Ramon's recommendation as discussed in Table X-1 on page X-27 is inconsistent with Exhibit X-A graphically identifying the modifications to the City' SOI. Table X-1 discusses retaining the areas south/southwest and north of Norris Canyon Road and removes the SOI from the north/northwest along Bollinger Canyon Road and areas adjacent to the Las Trampas Regional Wilderness Park/Little Hills Ranch Regional Recreational Area. The recommendation also includes modifying the SOI in the southwestern most part of the City to follow the existing City limit line. Exhibit X-A shows removal of the SOI north of Norris Canyon Road and north/northwest along Bollinger Canyon Road and areas adjacent to the Las Trampas Regional Wilderness

Park/Little Hills Ranch Regional Recreational Area. The map does not reflect adjusting the SOI in the southwestern most part of the City. In addition, the Table X-1 also discusses that “the recommended amended SOI would remove several parcels within Williamson Act contracts within the existing SOI....and the lower Dougherty Valley from the existing SOI.” The lower Dougherty Valley is within the City’s UGB and is graphically not depicted for removal. Due to the inconsistencies in the analysis, it is unclear what modifications are proposed to the City’s SOI. As such, we are unable to provide complete and accurate comments without fully understanding the proposed recommendation.

As we commented at the July 8<sup>th</sup> workshop, the General Plan 2020 contemplates development of the Tassajara Valley by the General Plan horizon year of 2020. As you are aware, New Farm has recently filed an application with Contra Costa County for development of the northern portion of the Tassajara Valley and an application to develop a cemetery is pending. Additionally, two properties located at the intersection of Tassajara Road and Windemere Parkway were graded and improved with ultimate street improvements including wet and dry utilities, extending Windemere Parkway and constructing Tassajara Road as required by the Dougherty Valley Specific Plan and are currently provided municipal services, including those of the City’s GHAD. Based upon pending development proposals in the north and utility installation in the south and our understanding of LAFCo policy, it would appear that expansion of the City’s SOI to include the Tassajara Valley would be consistent with LAFCo policy of development occurring within a 5 to 10 year period.

The MSR appears to be a factual document, a discussion of the City’s existing services and facilities. The recommendation to contract our Sphere of Influence lacks basis and the document contains no information or discussion to justify the reduction. Additional information is needed to clarify this and a more accurate review and consideration of the City’s Voter Approved General Plan 2020. The General Plan mandates the preparation of a specific plan, thus contemplating development within the 20-year horizon period. As the City is currently updating its General Plan, this policy will remain in place.

We reiterate our request for clarification of the LAFCo’s policies regarding modification of an SOI and those in Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) to better understand the recommendation presented. We would request the opportunity to meet with LAFCo staff and the consultant to discuss the recommendation to contract our Sphere and implications on our Voter Approved General Plan 2020. Absent this clarification and with the inconsistencies in the MSR we are unable to provide complete and accurate comments.

Should the Commission proceed with adopting the City’s MSR on September 9, 2009, we would request that all of the Tassajara Valley be included within our Sphere of influence and no other modifications to our SOI occur. However if the Commission is not supportive of all of Tassajara Valley being included at this time, we would still request that the two parcels located along Windemere Parkway be included within our SOI since they are located within the City’s GHAD.

Should you have any questions, need additional clarification or would like to meet to discuss our comments further, I may be reached at (925) 973-2566.

Sincerely,

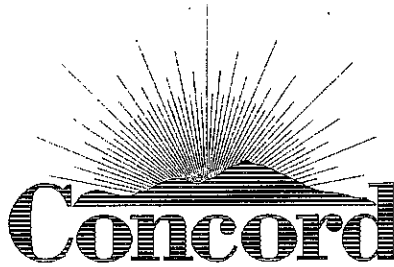
A handwritten signature in black ink, appearing to read "Phil Wong". The signature is written in a cursive style with a large, looping initial "P".

Phil Wong,  
Planning/Community Development Director

Cc LAFCo Commissioners  
Members of the City Council  
Planning Commission  
Herb Moniz, City Manager  
Debbie Chamberlain, Division Manager, Planning Services

CITY OF CONCORD  
1950 Parkside Drive, MS/01  
Concord, California 94519-2578  
FAX: (925) 798-0636

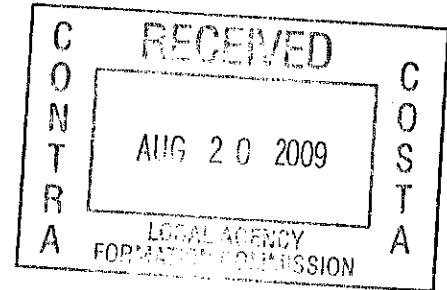
OFFICE OF THE MAYOR  
Telephone: (925) 671-3158



CITY COUNCIL  
Laura M. Hoffmeister, Mayor  
Guy S. Bjerke, Vice Mayor  
Helen M. Allen  
Mark A. Peterson  
William D. Shinn  
  
Mary Rae Lehman, City Clerk  
Thomas J. Wentling, City Treasurer  
  
Daniel E. Keen, City Manager

August 19, 2009

Chairperson Gayle Uilkema and  
Members of the Commission  
Contra Costa Local Agency Formation Commission  
651 Pine Street, 6<sup>th</sup> Floor  
Martinez, CA 94553



Dear Chair Uilkema and Commissioners:

The City of Concord strongly objects to the consultant's recommendation in the Public Review Draft of the Central County Sub-Regional Municipal Services Review (MSR) relative to the City of Concord's Sphere of Influence (SOI). That recommendation proposes to eliminate most of the SOI northwest of the City which now includes the tidal portion of the Concord Naval Weapons Station.

The removal of this area from Concord's SOI is in direct contravention of the City's adopted General Plan as it would impede or prevent the exercise of the City's land use authority to move forward with a future annexation of this area. The City's 2030 Urban Area General Plan (Attachment A) depicts the planned Urban Limit Line (ULL) as within the SOI and not containing open space or agricultural land but rather tracing the edges of those already developed parameters of the SOI. This SOI area has been depicted in The City's General Plans since 1982 and finally adopted in the City's 1994 General Plan. The consultant's report assumes that the land proposed to be within the Urban Limit Line is open space or agriculture. On page III-26, the consultants offer their opinion that, "...it is unlikely that this area will be surplusd by the Navy and developed within 5 to 10 years." We have learned that predicting military decisions is futile. Virtually no one was predicting closure of the inland portion before it was surplusd in 2006.

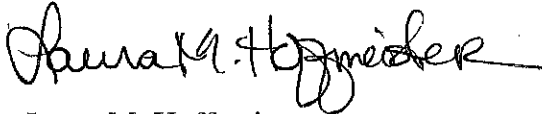
In a May 22, 2009, letter to the consultants on their Administrative Draft, the City noted the following reasons for rejecting their recommendations and continues to urge rejection.

- 1) The existing SOI boundary is consistent with the 2030 General Plan Land Use Diagram that incorporates the tidal area of the CNWS.

- 2) When the General Plan was adopted in 2007, the City Council approved a resolution to adopt the County's voter-approved ULL as Concord's ULL. It was the City's understanding that the adoption of the County's ULL would not preclude the City from moving forward at a future date with the proposed General Plan ULL via a citywide vote anytime during the term of Measure J. This is reflected in the City of Concord General Plan Urban Limit Line Policies (Attachment B).
  
- 3) The Council's resolution stated: *"...the City of Concord shall conduct a periodic review for expanding the ULL in the vicinity of the tidal portion of the Concord Naval Weapons Station (CNWS), and may initiate proceedings for a voter approved ULL at any time in accordance with the City's 2030 Urban Area General Plan. Further, the City of Concord may initiate proceedings for a voter approved ULL in accordance with the Concord 2030 Urban Area General Plan at such time the CNWS is closed and becomes available for civilian use."*
  
- 4) The General Plan EIR encompassed the actions associated with adopting an ULL as depicted in the 2030 General Plan, including a subsequent voter initiative.

The City of Concord invites discussion of this issue in advance of the September 9, 2009, meeting. Please contact the undersigned for further discussion.

Sincerely,



Laura M. Hoffmeister  
Mayor



Daniel E. Keen  
City Manager

LMH/DEK/jf

Enclosure

cc: Concord City Council  
Lou Ann Texeira, Executive Director, LAFCO



**GOAL GM-4: ESTABLISH AN URBAN LIMIT LINE**

*The City will establish an Urban Limit Line (ULL) that complies with the provisions of Measure J (2004), Contra Costa's Transportation Sales Tax Expenditure Plan. Concord's ULL is intended to be ratified by a vote of Concord's citizens and will be in force until March 31, 2034—the sunset date for Measure J. The ULL can only be changed by a subsequent vote of the City's electorate or the procedures set forth below.*

Principle GM-4.1: Promote efficient and orderly growth and protect open space by establishing an Urban Limit Line.

Policy GM-4.1.1: Delineate an ULL in the General Plan Land Use Diagram that is an area within which urban development will occur. For purposes of this policy, "urban development" means development requiring one or more basic municipal services, including, but not limited to, water service, sewer service, improved storm drainage facilities, fire hydrants and other physical public facilities and services.

*Until a local election is held, the City's adopted ULL is the same as Contra Costa County's ULL, which follows Concord's corporate boundaries. The City's preferred ULL is shown on Figure 3-2 in the Land Use Element Chapter 3, and includes the already developed portions of the CNWS-Tidal Area.*

Policy GM-4.1.2: Allow the ULL to be amended only by a vote of Concord's citizens or by the City Council by a majority vote (three affirmative votes) after holding a public hearing and making one or more of the following findings based on substantial evidence in the record:

- a. *A natural or manmade disaster or public emergency has occurred that warrants the provision of housing and/or other community needs on land located outside the ULL;*

- b. An objective study has determined that the ULL is preventing the City from providing its fair share of affordable housing, or regional housing, as required by State law, and the City Council finds that a change to the ULL is necessary and the only feasible means to enable the City to meet these requirements of State law;*
- c. The change is minor, affecting no more than five (5) acres in any calendar year or thirty (30) acres of land in total through March 31, 2034; the land subject to the change is immediately adjacent to developed land and water and sewer connections are available; there is no vacant land available within the ULL to accommodate the proposed development; and it is not reasonably feasible to accommodate the proposed development by re-designating land within the ULL; or*
- d. The change is required to conform to applicable California or Federal law.*