

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

April 9, 2014

Board of Supervisors Chambers
Martinez, CA

1. Chair Dwight Meadows called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. Roll was called. A quorum was present of the following Commissioners:

City Members Rob Schroder and Don Tatzin.

County Members Federal Glover and Mary Piepho, and Alternate Candace Andersen.

Special District Members Michael McGill and Dwight Meadows, and Alternate George Schmidt.

Public Members Don Blubaugh and Alternate Sharon Burke.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Mary Ann Mason, and Clerk Kate Sibley.

4. Approval of the Agenda

Upon motion of Piepho, second by Tatzin, Commissioners adopted the agenda.

AYES: Blubaugh, Glover, McGill, Meadows, Piepho, Tatzin

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

5. Public Comments

There were no public comments.

6. Approval of March 12, 2014 Meeting Minutes

Upon motion of Glover, second by Blubaugh, the minutes for the meeting of March 12, 2014 were approved unanimously.

AYES: Blubaugh, Glover, McGill, Meadows, Piepho, Tatzin

NOES: none

ABSENT: Schroder (M)

ABSTAIN: none

7. LAFCO 13-08 - Northeast Antioch Reorganization (Area 2A): Annexations to the City of Antioch and DDSD and Detachment from CSA P-6

The Executive Officer reported that this item was continued from the March 12 meeting. Staff provided a brief overview of the proposal, then reported that the Antioch City Council has requested a continuance of this item to the June 2014 LAFCO meeting to further discuss land use and other issues.

The Chair opened the public hearing, reminding those in attendance that there will be another opportunity to be heard when the item comes back in June.

Leon Bierly, representing New Bridge Marina, spoke in favor of annexation, and stated that the previous manager of the marina had also expressed a desire for this, citing especially the problem

with drug dealers in the adjacent park. Mr. Bierly added that he would not be able to attend the June 11 LAFCO meeting.

Don Wilson, Sportsmen Yacht Club Commodore, said that he would reserve his comments for the June meeting, and that the club is against annexation.

Commissioner McGill asked if the club is against annexation of the entire Area 2A or just their own property; Mr. Wilson answered that they only oppose annexation of the Sportsmen Yacht Club property.

Steve Klee, property manager/owner of New Bridge Marina (which was renamed when the John Nejedly Bridge was opened), spoke in favor of annexation and added that the former owners of the Sportsmen Yacht Club would have also favored this action. New Bridge Marina wants lower water rates and better policing. Mr. Klee pointed out that he does not want the objections of the Sportsmen Yacht Club to deprive the New Bridge Marina of its opportunity to benefit from annexation.

Paul White, representing Kiewit Construction, stated that Kiewit was the general contractor on the John Nejedly Bridge, and averages 84 employees. Kiewit's property is zoned heavy industrial by the County, and has not yet received assurance from the City of Antioch that this zoning would be protected; thus, the company is against annexation. Mr. White added that he might not be able to attend the June 11 LAFCO meeting.

Commissioners McGill and Piepho asked the City to comment on the land use issue.

Victor Carniglia, representing the City of Antioch, explained that the City Council intends to allow non-conforming use, but wishes to ensure that they have a hand in working toward consensus with the property owners before bringing this matter back to LAFCO.

Blaise Fettig, representing Vortex Marine Construction, stated that his company has purchased property in Area 2A and intends to move its corporate headquarters there, having been forced out of the Oakland Port area. The City of Antioch has done a good job of working with Vortex, but the company currently opposes annexation because 1) they need heavy industrial zoning; 2) hooking up to the sewer system would require a very long lateral; and 3) they particularly appreciate the County Sheriff's marine policing. He would like to see rezoning done prior to this annexation.

The Chair closed the public hearing.

Commissioner Piepho asked staff about the item's continuance. The Executive Officer responded that the 70-day limit is directory, not mandatory. Commissioner Piepho commented that this would have to be re-noticed with public outreach.

Discussion ensued regarding protection of current land uses and support for the heavy industrial designation. Upon questioning from Commissioner Blubaugh, City Manager Steve Duran responded that zoning cannot be accomplished before the June meeting, but that the City Council will have a wide-ranging discussion on available possibilities at its May 13 meeting. Commissioner Blubaugh requested that a more detailed map of the properties in Area 2A be provided, along with a copy of the City's report for the May 13 meeting.

Commissioners encouraged the City to work with the landowners on the land use issues. Commissioner Piepho suggested that the public comments heard today be included in the June staff report.

Upon motion of Piepho, second by Glover, Commissioners unanimously continued this item to the June 11, 2014 regular meeting, to be held at 1:30 p.m. in the County Board of Supervisors Chamber.

AYES: Blubaugh, Glover, McGill, Meadows, Piepho, Schroder, Tatzin
NOES: none
ABSENT: none
ABSTAIN: none

8. Countywide Water/Wastewater Municipal Service Review (MSR)/Sphere of Influence (SOI) Updates (2nd Round)

The Executive Officer presented brief background on Contra Costa LAFCO's MSRs: First round MSRs were completed in April 2013, and in August a 2nd round countywide MSR covering water and wastewater services was launched, covering eight cities, 20 special districts, one private water company, and also including information on private mutual water companies based on recent legislation. The 2nd round MSR focuses on significant changes since the last MSR in 2007-08 relating to fiscal, regulatory and other matters.

The consulting team of Gary Thompson, Bob Aldrich and Harry Ehrlich provided an overview of the MSR requirements, agencies covered, MSR process, discoveries, comments received and next steps.

Gary Thompson noted that the consulting team received great cooperation from all of the agencies, and that their method of sharing early drafts and incorporating feedback from agencies resulted in minimal comments on the Public Review Draft. Mr. Thompson highlighted several issues that should be considered, and responded to comments and questions from Commissioners as he made his presentation. The consultants found that, in general, finances of the agencies were stable and that major strides have been made since the last MSR. The biggest fiscal issue in the future may be the sustainability of rate increases: when will rates increase to the point where customers can't pay?

Commissioner Piepho requested that the slides be numbered in the future; and asked about the planned location of a fifth high school in Liberty Union High School District and that the MSR contain information on this, as it might suggest an additional SOI amendment for the Town of Discovery Bay Community Services District (TODBCSD).

In response to Commissioner McGill's question as to whether LAFCO adopted a zero SOI for Knightsen Town Community Services District (KCSD) in the first round MSR, staff responded no. Mr. Thompson responded that the district is working hard, with very few resources, to fulfill its original purpose; however, this district needs attention and help and regular reports should be required by LAFCO. If at some point it becomes clear that it will not be able to perform, then LAFCO should consider other options including dissolution.

Questions arose about the multi-county agencies (i.e., East Bay Municipal Utility District, Dublin-San Ramon Services District, Byron Bethany Irrigation District) and how to ensure that a full MSR is prepared on each of these. A process should be formalized among the three LAFCOs, if possible. Staff responded that the three LAFCOs are coordinating on MSRs.

The topic of consolidations (of similar districts) was addressed, acknowledging that there can be a variety of consolidations and that even similar districts may have differences that make consolidation infeasible. The consultants pointed out that the MSR does not dictate what should be done so much as provide a tool for seeing what is happening with agencies—and that this MSR is a "mile-high" review rather than an on-the-ground comprehensive examination.

Commissioner Blubaugh asked about the differences among the cities of Antioch, Martinez and Pittsburg, all of which purchase their water from Contra Costa Water District (CCWD). The consultants and LAFCO staff noted various boundary and services issues.

The public hearing was opened.

Mitch Avalon, representing Contra Costa County Public Works, spoke in support of the work being done by KCSD to address the serious issue of flooding in the Knightsen area, and that the County does not support the dissolution of KCSD. Mr. Avalon commented on the reasons the district was formed and the physical and financial challenges the area faces. He also commented that the District is working on planning and funding efforts, which take time, and that KCSD is making steady progress in achieving its goals.

Commissioner Piepho asked Mr. Avalon if he had any concerns with the proposed removal of the Veale Tract from CCWD. He responded "no."

Mr. Thompson indicated that CCWD supports the removal.

Linda Weekes, representing KCSD, thanked Mr. Avalon for his presentation and reported that they continue to seek support and partners and that they are doing the best they can within their limitations.

The Chair noted that Rick Howard, representing the Town of Discovery Bay CSD, was in the audience and ready to speak if anyone had any questions for him. There were no questions for him. The Chair also noted Rick Gilmore's presence (representing Byron Bethany Irrigation District and Byron Sanitary District).

The public hearing was closed.

Commissioner Piepho expressed her appreciation of staff's and consultants' concerns regarding KCSD and would like to see KCSD retain its SOI, and agreed that the District should provide progress reports to LAFCO. Commissioners noted that there is good work going on in Knightsen.

Commissioner McGill asked staff about the best way to use this MSR when it is finalized. The Executive Officer stated that the MSR is a good snapshot of progress that has been made since the last MSR, and can be used as a basis for the SOI updates and future boundary changes.

Upon motion of McGill, second by Blubaugh, Commissioners unanimously, by a vote of 6-0, received the report, accepted the comments, and directed staff to set a public hearing for May 14, 2014, to prepare the required determinations, and present the Final MSR report and SOI recommendations. Commissioner Piepho asked if Commissioner comments would be automatically included in the Final MSR; she was assured that they would be.

AYES: Blubaugh, McGill, Meadows, Piepho, Schroder, Tatzin
NOES: none
ABSENT: Glover (M)
ABSTAIN: none

9. FY 2013-14 Third Quarter Budget Report

Upon motion of Blubaugh, second by Piepho, Commissioners unanimously, by a vote of 5-0, accepted the report.

AYES: Blubaugh, McGill, Meadows, Piepho, Schroder
NOES: none
ABSENT: Glover (M), Tatzin (M)
ABSTAIN: none

10. Legislative Report - Update and Positions

The Executive Officer presented an update on a number of bills of interest to CALAFCO and letters of support for three bills that are of particular importance to LAFCOs.

Commissioner McGill stressed the importance of letters of support from local LAFCOs as well as CALAFCO.

Upon motion of McGill, second by Blubaugh, Commissioners unanimously, by a vote of 5-0, authorized the Chair to sign the letters of support.

AYES: Blubaugh, McGill, Meadows, Piepho, Schroder
NOES: none
ABSENT: Glover (M), Tatzin (M)
ABSTAIN: none

Commissioner Piepho suggested that there might be a need for future legislation regarding the mutual water companies, to be considered by CALAFCO at the Annual Conference or taken up by the Legislative Committee.

11. Executive Officer's Performance Review and Compensation

The Chair presented the report regarding a compensation adjustment for the Executive Officer in conjunction with her 2013 performance review.

Upon motion of Blubaugh, second by Tatzin, Commissioners unanimously, by a vote of 6-0, approved a lump sum payment of \$3,000 in recognition of the Executive Officer's performance, along with a 2.5% adjustment to her base salary effective 1/1/14.

AYES: Blubaugh, McGill, Meadows, Piepho, Schroder, Tatzin
NOES: none
ABSENT: Glover (M)
ABSTAIN: none

12. CCCERA Correspondence

There were no comments regarding this correspondence.

13. Commissioner Comments and Announcements

Commissioner McGill reported that he attended the CALAFCO Legislative Committee meeting on March 21 and that this committee has been very busy. He will attend the May 2nd CALAFCO Board meeting in Marysville.

Commissioner Tatzin announced that he, Commissioner Blubaugh, and the Executive Officer met with Fitch & Associates representatives to discuss the Emergency Medical Services (EMS) report, which will be helpful when the 2nd Round Fire and EMS MSR process begins.

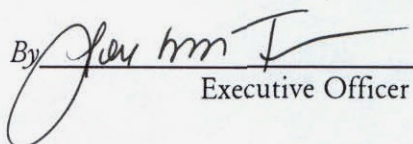
14. Staff Announcements and Pending Projects

The Executive Officer reported that the CALAFCO Staff Workshop will be held in Berkeley April 23-25; the next CALAFCO Board meeting will be on May 2; and the next Legislative Committee meeting will be on May 9. Also, plans are underway for the CALAFCO Annual Conference October 15-17 in Ontario.

The meeting was adjourned at 3:25 p.m.

Final Minutes Approved by the Commission May 14, 2014.

AYES: Andersen, Blubaugh, Piepho, Schmidt, Schroder, Tatzin
NOES:
ABSTAIN:
ABSENT: Glover (M), McGill (M), Meadows (M)

By  _____
Executive Officer