

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

October 8, 2014

November 12, 2014
Agenda Item 5

Board of Supervisors Chambers
Martinez, CA

1. Interim Chair Rob Schroder 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 Igor Skaredoff and Alternate George Schmidt.

Public Member Alternate Sharon Burke.

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

4. Approval of the Agenda

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

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Blubaugh (M), Butt (A)

ABSTAIN: none

5. Public Comments

There were no public comments.

6. Approval of September 10, 2014 Meeting Minutes

Upon motion of Skaredoff, second by Tatzin, the minutes for the meeting of September 10, 2014 were approved by a unanimous vote of 7-0.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Blubaugh (M), Butt (A)

ABSTAIN:

7. Informational Presentation - Contra Costa Land Use and Agricultural Conservation - Kathryn Lyddan, Executive Director, Brentwood Agricultural Land Trust (BALT)

After a brief introduction by the Chair, Kathryn Lyddan presented a slide show focusing on agricultural land and its use and conservation in Contra Costa County, focusing largely on East Contra Costa County as a prime growing area. Despite encroaching development, there are still 12,000 acres of row crops, vineyards, and orchards, with over \$92 million in farm gate value. She spoke of efforts and programs that can protect prime farmland, a quarter of which has been lost since 1990. Since BALT's establishment in 2002, it has permanently protected over 800 acres of orchards and row crops. Ms. Lyddan encouraged Contra Costa LAFCO to adopt agricultural mitigation policies—as some other LAFCOs already have—that mitigate the loss of agricultural land by conditioning their approvals of applications on: agricultural conservation easements; in-lieu fees; and encouraging local jurisdictions to adopt agricultural mitigation policies of their own.

DRAFT

She recommended that LAFCO: join with the County, BALT, and other partners to develop agricultural lands policies and programs; explore adoption of an agricultural mitigation policy that requires mitigation of any loss of prime farmland; and work with CALAFCO to explore state law changes to the CKH to strengthen LAFCOs' statutory authority to protect prime farmland.

Ms. Lyddan's Powerpoint presentation can be seen on the Contra Costa LAFCO website, in the agenda items for the October 8, 2014 meeting (http://www.contracostalafco.org/meeting_archive.htm).

Commissioners provided comments and observations and thanked Ms. Lyddan.

8. LAFCO 14-02 - Subdivision 9329- Detachment from Town of Danville

The Executive Officer provided brief background on a proposal to remove from the Town of Danville's boundary a 12-foot wide strip of land along the northern boundary of property located at 2500 Blackhawk Road in conjunction with a subdivision. The boundary adjustment will align the property line with boundaries of the other parcels fronting Blackhawk Rd, and follows LAFCO's approval in September of removal of the same 12-foot strip from the Town's SOI.

Upon motion of McGill, second by Piepho, the Commission unanimously, by a 7-0 vote, determined that the project is exempt pursuant to CEQA Guidelines, Section 15061(b)(3); approved the proposal to be known as Subdivision 9329, Detachment of Frontage from Town of Danville (2500 Blackhawk Road), with specified conditions; determined that the territory being detached is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

9. LAFCO 14-07 - Dougherty Valley Reorganization No. 16 - City of San Ramon

The Executive Officer provided an overview of the proposal, noting that this is the 16th in a series of planned annexations to the City of San Ramon. This annexation also includes the detachment of the area from County Service Area P-6. The subject area comprises 22.89± acres of parkland and is located south of the Dougherty Valley Service Center in the Dougherty Valley Specific Plan Area.

The subject property is not contiguous to the City limits, but meets the statutory exception to allow for annexation of non-contiguous property.

Upon motion by Piepho, second by McGill, Commissioners unanimously, by a 7-0 vote, certified that it reviewed and considered the information contained in the EIR and CEQA documentation; approved the proposal to be known as Dougherty Valley Reorganization #16: Annexation to City of San Ramon and Detachment from County Service Area P-6, with specified conditions; determined that the territory being annexed is liable for the continuation of taxes, assessments and charges; found that the subject territory is uninhabited, has 100% landowner consent; waived the protest proceeding, and directed staff to complete the proceeding.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

10. LAFCO 14-08 – Central Contra Costa Sanitary District (CCCSD) SOI Amendment (DA 185)

The Executive Officer provided background to this application to expand CCCSD's SOI to include three parcels totaling approximately 38 acres, located in the unincorporated Lafayette area at the west end of Springhill Road. A corresponding application to annex these and a number of other properties to the District has been submitted for consideration at a later date. Currently there are two existing units receiving service from CCCSD and EBMUD. As proposed, LAFCO's approval of the SOI amendment and pending annexation of these properties would limit the sewer service to the existing residential uses as the properties are located outside the ULL.

Commissioner Tatzin expressed his concern about the potential for a later expansion to a third connection and confirmed that any additional service connections would be subject to LAFCO's review.

Upon motion of Tatzin, second by McGill, Commissioners unanimously, by a 7-0 vote, approved the proposed expansion of CCCSD's SOI, limited CCCSD service to the existing residential structures that are currently receiving service, and determined that the project is exempt pursuant to CEQA Guidelines, Section 15319.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

11. Castle Rock County Water District SOI Update

The Executive Officer gave a brief history on the Castle Rock County Water District (CRCWD) discussions held at the September 10, 2014 meeting. Currently, CRCWD has no SOI, as it was only recently identified as an independent special district through the Second Round Water/Wastewater MSR, completed this year. In discussion at the September meeting, Commissioners directed staff to return with a proposal for establishing a zero SOI for CRCWD.

Fred Allen, CRCWD Board Member, provided Commissioners with extensive background to the history and operations of CRCWD, noting that this 55-connection District is the only provider of water in the District's territory, per an agreement made between the area's developer and Contra Costa Water District (CCWD). There are no paid employees; Mr. Allen and other board members are volunteers and conduct inspections regularly and make repairs as necessary, hiring workers as needed.

Commissioners asked Mr. Allen questions about public health issues (none), testing and monitoring (he conducts his own as do others, although many of them use untreated water for irrigation and livestock purposes), water conservation (this District has reduced water use by over 60%), meters (board members read them and bill residents accordingly), finances (County Auditor handles all finances), and a succession plan (Mr. Allen has recruited two new, younger board members, and is training one of them who has shown interest in maintaining the system into the future).

There were additional Commissioner comments and questions relating to CRCWD's infrastructure, maintenance and capital plans, and governance options.

Following Mr. Allen's appearance, Commissioners confirmed with the Executive Officer that there is no opportunity to make CRCWD a subsidiary of CCWD or a dependent district or a zone. Neither CRCWD nor CCWD wants any changes to the status quo.

Upon motion of McGill, second by Tatzin, Commissioners unanimously, by a 7-0 vote, determined that the SOI update is exempt under the CEQA General Rule exemption

§15061(b)(3); adopted a zero SOI for CRCWD with conditions; directed staff to communicate to the District that an engineering study, including necessary safeguards and conditions, and a financial plan be carried out and reported back to LAFCO in September 2015.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

12. Policies & Procedures Update: Out of Agency Service

The Executive Officer reported that, as requested at the August 13, 2014 LAFCO meeting, a meeting was held on September 30 that included the LAFCO Policies and Procedures Committee, the County Administrator, a representative of the City of Concord, and elected officials from both the County and the City of Concord. The City and County staff requested no amendments to the proposed updates but did express the need for flexibility to deal with the Ayers Ranch island. The group also addressed the potential for a phased annexation of the area. However, the City and County have been unable to reach a tax sharing agreement, which is needed in order to move forward.

Commissioner Tatzin stated that the Policies and Procedures Committee, representing the full Commission, feels bound by the state law regarding out of agency service. He felt that the September 30 meeting was productive, but that it was clear the City and County need to come to an agreement on tax sharing. Commissioner Burke felt that the County representatives seemed to not favor phased annexation of the Ayers Ranch island area. It was noted that the City has already rezoned the Ayers Ranch area and that the City requires deferred annexation agreements in conjunction with out of agency service requests. It was also noted that there are out of agency services challenges throughout the County, and that LAFCO's policy must be applicable countywide.

LAFCO staff read into the record an email from Concord City staff. Commissioners questioned why the City of Concord had no representatives at this meeting, but agreed that the City's August request for a meeting had been fulfilled. In response to the City's email, LAFCO staff pointed out that no out of agency service request has been denied if it is in response to a public health issue.

Upon motion of Tatzin, second by Burke, Commissioners unanimously, by a 7-0 vote, approved and adopted the revised Subsection J of Section 2.1 of the Policies and Procedures and Section 3.15, Provision of Services by Contract (Out of Agency Services).

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

13. OPEB - Post Retirement Medical Benefits Trust Agreement

The Executive Officer presented the results of research into funding post employment health benefits for LAFCO's retired employees, and stated that the preferred option is to participate with the County in the Public Agencies Post-Retirement Health Care Plan Trust administered by Public Agency Retirement Services (PARS). LAFCO would become a subaccount under the County's PARS Trust agreement. The County pays management and investment fees on a sliding scale based on assets in the trust, and LAFCO's fees, which would be 0.22%, will be based on the same proportional fees as the County's.

LAFCO conducted an actuarial valuation in March (prepared by Demsey, Filliger & Associates, an LLC through a consortium with the California Special Districts Association and the California

School Boards Association) to calculate the future liability for retiree healthcare and other post-employment benefits. A summary of LAFCO's actuarial valuation shows an Employer-Paid Accrued Liability of \$516,522 and an annual contribution of \$52,278. The Commission currently has \$40,000 set aside to fund this expense, which is not reflected in the recent actuarial valuation. The next step is for LAFCO to adopt a resolution to join the PARS Trust. Following LAFCO's approval, the County Board of Supervisors will then be asked to adopt a resolution accepting Contra Costa LAFCO into its plan.

Commissioner McGill noted that as the Commission goes forward it needs to develop a plan to fund this liability, as the current \$10,000 annually set aside will not suffice.

Commissioner Tatzin asked if Commissioners will need to authorize the transfer of the current \$40,000 set aside into this account if this agreement is approved, and whether LAFCO is supposed to specify the investment approach listed in the agreement. Staff responded that she believes the County Treasurer makes that decision, but will confirm.

Commissioner Skaredoff agreed that Commissioners need to find a way to whittle down this obligation.

Upon motion of Tatzin, second by Burke, Commissioners unanimously, by a 7-0 vote, adopted Resolution 2014-2 authorizing participation in the Contra Costa County PARS Public Agencies Post-Retirement Health Care Plan Trust, and directed staff to forward the LAFCO resolution and signed agreement to Contra Costa County with a request to the County to accept Contra Costa LAFCO in the County's plan.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

14. First Quarter Budget Report

The Executive Officer reported that total revenues are at approximately 98% of projected revenues; expenditures at this time are at 12% of projected expenses. New applications are on par with FY 2013-14.

Upon motion of Piepho, second by McGill, Commissioners received the report.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none
ABSENT: Blubaugh (M), Butt (A)
ABSTAIN: none

15. Informational Report - Contra Costa Emergency Medical Services Emergency Ambulance Request for Proposals Development Workshop

The Executive Officer reported on her attendance at the one-day workshop in conjunction with development of a RFP for the upcoming ambulance services contract, held on September 17. The workshop was attended by representatives from fire/EMS, healthcare, labor, LAFCO and the public. Richard Keller of Fitch & Associates led the discussion. The presentation is available on the EMS website. The tentative timeline for the RFP process provides for release of the RFP in February 2015, award of the final contract in September 2015, and a new contract start date of January 1, 2016.

Upon motion of Piepho, second by McGill, Commissioners received the report.

AYES: Burke, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES: none

ABSENT: Blubaugh (M), Butt (A)

ABSTAIN: none

16. Correspondence from CCCERA

There were no comments on this item.

17. Commissioner Comments and Announcements

Commissioner McGill announced that he would be attending the upcoming CALAFCO Annual Conference, and that he hoped to be reelected to the CALAFCO Board at that meeting. Other Commissioners confirmed that they too would be attending.

18. Staff Announcements and Pending Projects

The Executive Officer stated that she too is looking forward to the upcoming CALAFCO Annual Conference October 15-17.

LAFCO staff reported that the 2013-14 legislative session is over. Two of CALAFCO's priority bills were chaptered - the CALAFCO omnibus bill, and AB 2156 which allows LAFCOs to request information from JPAs and requires JPAs to respond. On September 28th, the Governor vetoed three of the CALAFCO supported bills, including SB 69 and the companion bill AB 1521, which addressed reinstatement of VLF through ERAF for cities. The Governor also vetoed AB 1527, which provided incentives for consolidation of public water systems based on service reviews developed by the local LAFCO.

The meeting was adjourned at 3:28 p.m.

Final Minutes Approved by the Commission November 12, 2014.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer