CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION EXECUTIVE OFFICER'S REPORT

September 8, 2021 (Agenda)

September 8, 2021 Agenda Item 6

<u>LAFCO 21-04</u> Beacon West & Willow Mobile Home Park – Annexations to Contra Costa Water District (CCWD) and Diablo Water District (DWD)

<u>APPLICANT</u> Contra Costa Water District – Resolution 20-02, December 16, 2020

The applicant proposes to annex $37.58\pm$ acres to CCWD which includes $14.27\pm$ acres (Beacon West) and $23.31\pm$ acres (Willow Mobile Home Park (WMHP) (Exhibit A); and annexation of $30.1\pm$ acres to DWD which includes $6.79\pm$ acres (portion of Beacon West) and $23.31\pm$ acres (WMHP) (Exhibit B). The subject areas are located on Bethel Island in East Contra Costa County and are within the Contra Costa County Urban Limit Line (ULL). The entirety of Bethel Island is a Disadvantaged Unincorporated Community (DUC).

Annexation will bring the subject areas into the service boundaries of CCWD and DWD and will allow for the extension of municipal water service to approximately 23 single family homes and 172 mobile homes. As proposed, CCWD will provide wholesale water and DWD will provide treated water to the subject areas.

Regarding Beacon West, the groundwater system that previously served this area exceeded the primary drinking water standard for arsenic and was abandoned in 2019. Regarding WMHP, Contra Costa County manages the ground water system through County Service Area M-28. The mobile homes are connected to an aging well and reverse osmosis system that fails to meet secondary drinking water standards for manganese and specific conductance. Also, the mobile home park has a fire flow deficiency as there is insufficient water storage at the site. DWD is evaluating State Water Resources Control Board grant funding to fund design and construction of the water line extension. Mark Brading with *The Willows at Bethel Island* submitted a letter expressing concerns with the existing water source and supports extension of municipal water service to the WMHP (Attachment 1). The County Board of Supervisors also submitted a letter supporting annexation of these areas to CCWD and DWD (Attachment 2).

DISCUSSION

SYNOPSIS

Government Code §56668 sets forth factors that the Commission must consider in evaluating a proposed boundary change as discussed below. In the Commission's review, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal.

1. Consistency with the Sphere of Influence (SOI) of Any Local Agency:

The subject areas are within the SOIs of CCWD and DWD as approved by the Commission on August 11, 2021; and are within the Contra Costa County ULL.

2. Land Use, Planning and Zoning - Present and Future:

The land uses in the subject areas include 23 single family homes and 172 mobile homes. General Plan and Zoning designations are as follows:

- Beacon West Area County General Plan (GP) designations in this area include Single Family Residential – High (SH); SH with a Flood Hazard (FH) Combining District overlay; Agricultural (AL); and Open Space (OS). Zoning designations include SH, FH, General Agriculture (A-2), and Solar Energy Generation Combining District (SG).
- **WMHP** County *GP* designation is Mobile Home (MO). County *Zoning* designations include Mobile Home/Manufactured Home Park (T-1) and FH.

The proposed annexations will have no effect on the land uses.

3. The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands and Open Space Lands:

There are no proposed land use changes or impacts to agricultural/open space lands associated with the proposed annexation areas. No portion of the annexation area is subject to a Williamson Act contract.

Land uses surrounding the Beacon West area include water to the east and north and open space to the west and south. Land uses surrounding the WMHP include residential to the east and north and agricultural and open space to the west and south.

4. Topography, Natural Features and Drainage Basins:

The subject areas are generally flat, adjacent to the Delta with elevations ranging from 0 to 5 feet above sea level. Beacon West is located adjacent to Little Frank's Tract, and the WMHP is located south and east of Beacon West, directly adjacent to Frank's Tract.

5. Population:

No development is proposed in conjunction with the proposed annexations, and no population increase will result from this proposal. The population of the subject area is 425-475 people.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. No new residential development is proposed; thus, the proposed annexations will have no effect on regional housing needs.

7. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

Whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall also submit a plan for providing services within the affected territory (Gov. Code §56653). The plan shall include all of the following information and any additional information required by the Commission or the Executive Officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The subject areas are within the boundaries of various municipal agencies including Contra Costa County, Bethel Island Municipal Improvement District, Contra Costa Resource Conservation District, East Bay Regional Park District, East Contra Costa Fire Protection District, and Ironhouse Sanitary District.

The proposed annexations will bring the subject areas into the service boundaries of CCWD and DWD and allow for extension of municipal water service to approximately 425-475 people. As proposed, CCWD will provide wholesale water and DWD will provide treated water to the subject areas. The extension of municipal water will eliminate reliance on the aging well and reverse osmosis system and improve water quality and fire flow.

8. Timely Availability of Water and Related Issues:

Pursuant to the CKH, LAFCO must consider the timely and available supply of water in conjunction with boundary change proposals. Contra Costa LAFCO policies state that any proposal for a change of organization that includes the provision of water service shall include information relating to water supply,

storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The proposal before the Commission includes annexation of the subject property to CCWD for wholesale water. CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch. CCWD provides treated water service to approximately 250,000 residents and untreated water service that supports approximately 250,000 residents for a total population of approximately 500,000 (61,858 treated and 346 untreated water connections). The primary sources of water are the United States Bureau of Reclamation (USBR) Central Valley Project (CVP) and delta diversions. One of CCWD's prerequisites for service, including future annexation, is inclusion in the CVP service area. The CVP inclusion review is a separate process and requires specific environmental documents. Subsequent to LAFCO's annexations, CCWD will proceed with the CVP inclusion review. CCWD is using "Proposition 1 Disadvantaged Community Involvement Grant Funding", which is managed by the Department of Water Resources, in conjunction with this proposal.

Regarding retail water, DWD encompasses $21\pm$ square miles serving Oakley (including East Cypress Corridor Specific Plan Area and the Summer Lakes development on Hotchkiss Tract), downtown Knightsen, parts of Bethel Island including Delta Coves, and unincorporated areas within the Hotchkiss Tract. DWD collects, treats and supplies municipal water to over 42,000 residents. The District's primary sources of water include CVP (purchased from CCWD) and groundwater extracted from the East Contra Costa Subbasin. DWD is the local water service provider that will permanently serve these two areas following annexation and inclusion. In 2019, DWD completed a 6-inch emergency water line extension to serve Beacon West. Each of the Beacon West parcels have a water meter. The WMHP parcels will have a single water meter once the new treated line is designed and constructed to serve the 172 mobile homes.

Based on their recent future water supply studies and urban water management plans, both CCWD and DWD indicate they have the capacity to serve the project. The districts and landowners will work together to complete the CVP inclusion process.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation areas are within tax rate areas 82006, 82007 and 82234. The assessed value for the annexation areas is \$15,975,612 (2020-21 roll). The territory being annexed shall be liable for all authorized or existing taxes and bonded debt comparable to properties presently within the annexing agencies.

10. Environmental Impact of the Proposal:

CCWD, as Lead Agency, found the project exempt pursuant to CEQA Guidelines section 15303 – New Construction or Conversion of Small Structures and section 15319 Annexations of Existing Facilities and Lots for Exempt Facilities.

11. Landowner Consent and Consent by Annexing Agency:

All landowners and registered voters within the proposal area and within 300 feet of the subject area received notice of the LAFCO hearing. County Elections reports there are more than 12 registered voters in the subject area; therefore, the subject area is considered inhabited. Thus, if the Commission receives objection from any registered voter residing with the subject area, LAFCO must conduct a protest hearing. Absent any objection received before the conclusion of the commission hearing on September 8, 2021, the Commission will waive the protest proceedings.

12. Boundaries and Lines of Assessment:

Maps and legal descriptions to implement the proposed annexations have been received and are subject to final approval by the County Surveyor.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The subject area is located on Bethel Island, which is, in its entirety, a disadvantaged community. Thus, the proposed annexation will promote the fair treatment of minority or economically disadvantaged groups by supplying reliable, quality water to the subject area.

14. Disadvantaged Communities:

Pursuant to SB 244, local agencies and LAFCOs are required to plan for DUCs. Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County's Department of Conservation and Development, the annexation areas meet the criteria of a DUC. The extension of municipal water to the Beacon West and WMHP areas will better serve these communities.

15. Comments from Affected Agencies/Other Interested Parties:

To date, LAFCO has received no comments from affected agencies or other interested parties.

16. Regional Transportation and Regional Growth Plans:

In its review of a proposal, LAFCO shall consider a regional transportation plan adopted pursuant to Section 65080 [Gov. Code section 56668(g)]. Further, the commission may consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis (Gov. Code section 56668.5).

Regarding these sections, LAFCO looks at consistency of the proposal with the regional transportation and other regional plans affecting the Bay Area.

SB 375, a landmark state law, requires California's regions to adopt plans and policies to reduce the generation of greenhouse gases (GHG), primarily from transportation. To implement SB 375, in July 2013, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) adopted Plan Bay Area. In 2017, ABAG/MTC released Plan Bay Area 2040, which updated the 2013 Plan Bay Area. In May 2021, *Plan Bay Area 2050* was released. The 30-year plan charts a course for the 9-county Bay Area through 2050 and beyond. Thirty-five strategies comprise the heart of the plan to improve housing, the economy, transportation and the environment.

The subject areas are not designated as a "Priority Conservation Area" or a "Priority Development Area" and the proposed annexations will have no impact on the regional plan.

CCWD has delivered an executed indemnification agreement providing for the District to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony and additional materials submitted, the Commission is asked to take one of the following actions:

Option 1 Approve the annexation as proposed.

- A. Find that, as a Responsible Agency under the California Environment Quality Act (CEQA), that the project is exempt pursuant to CEQA Guidelines section 15303 New Construction or Conversion of Small Structures and section 15319 Annexations of Existing Facilities and Lots for Exempt Facilities.
- B. Accept this report and adopt Resolution 21-04 (Attachment 3) approving annexations to Contra Costa Water District and Diablo Water District as described herein and shown on the attached maps subject to the following terms and conditions:
 - 1. This annexation will allow the delivery of treated water for use at the subject areas (Beacon West and Willow Mobile Home Park).
 - 2. The territory being annexed shall be liable for any authorized or existing special taxes, assessments and charges currently being levied on comparable properties presently within the annexing agencies.
 - 3. Water service is conditional upon CCWD receiving acceptance for inclusion of the annexed area from the USBR, pursuant to the requirements in CCWD's contract with USBR for supplemental water supply from the CVP.
 - 4. Find that the subject territory is inhabited. Should the Commission receive any objection(s) from any registered voter(s) or landowner(s) within the subject area, LAFCO will conduct a protest hearing. If no objection is received before the conclusion of these commission proceedings on September 8, 2021, the Commission waives the protest proceedings.
- **Option 2** Accept this report and DENY the proposal.
- **Option 3** If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Option 1 – Approve the annexations to CCWD and DWD as proposed.

LOU ANN TEXEIRA, EXECUTIVE OFFICER CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

<u>Exhibits</u>

Exhibit A - Map – Proposed CCWD SOI Expansion Exhibit B - Map – Proposed DWD SOI Expansion

Attachments

- Attachment 1 Letter from Mark Brading The Willows at Bethel Island Attachment 2 – Letter from Contra Costa County Board of Supervisors Attachment 3 - Draft LAFCO Resolution – Annexations to CCWD and DWD
- c: Mark A. Seedall, Principal Planner, Contra Costa Water District Dan Muelrath, General Manager, Diablo Water District Carl Roner, Contra Costa County Public Works

Attachment 1



THE WILLOWS AT BETHEL ISLAND

3656 Willow Road Mailing Address P. O. Box 428 • Bethel Island, CA 94511 (925) 684-3536

RECEIVED

June 21, 2021

JUN 242021

CCWD BOARD OF DIRECTORS

Board of Directors Contra Costa Water District 1331 Concord Avenue Concord, CA 94520

Lisa M. Borba, President

RE: Letter of Support for Expansion of Contra Costa Water District / Diablo Water District (CCWD/DWD) to The Willows at Bethel Island mobilehome park.

Dear President Borba:

I am writing to express the support of The Willows at Bethel Island (Park) for the expansion of the CCWD/DWD water service to our Park. The extension of water service to the Park will provide our homeowners with a reliable source of quality water while also improving the reliability and capability of our fire hydrants.

Over the years the County has done their best to maintain a reverse osmosis water filtration system for our Park residents. However, due to the cost of maintenance, the cost of replacement components, and the constant monitoring requirements, this filtration system became too expensive to operate and as a result our Park residents are receiving unfiltered well water for their domestic water supply.

Since the 172 mobilehomes in our Park are reliant on a single well source for domestic water, this is a constant concern for our homeowners. What happens if the well becomes contaminated? What happens if the well dries up or is not capable of supplying sufficient water? When the power is out, so is the water supply for our homeowners. Even though our Park has fire hydrants located throughout, these hydrants are dependent on electricity to the well pump and are also limited by the capacity of the storage tank.

The CCWD/DWD domestic water supply extension to The Willows at Bethel Island will provide our homeowners with a reliable, quality, sustainable, and affordable water source while also improving the fire suppression capabilities within the Park. For all of these reasons, The Willows at Bethel Island is in favor of expanding the CCWD/DWD water service to our Park.

Sincerely,

Mark Bradine The Willows at Bethel Island

cc: File



COMMITTEES:

Airports Committee, Chair

Legislation Committee, Chair

Open Space/Parks & East Bay Regional Park District Liaison Committee, Chair

Family & Human Services Committee, Vice Chair

Internal Operations Cmte., Vice Chair

Transportation, Water & Infrastructure Committee, Vice Chair

Medical Services Joint Conference Committee, Vice Chair

California Identification System Remote Access Network Board

Contra Costa Family Justice Alliance

Contra Costa Countywide Redevelopment Successor Agency Oversight Board

Contra Costa Health Plan Joint Conference Committee

Delta Protection Commission

Dougherty Valley Oversight Cmte.

East Contra Costa County Habitat Conservancy, Governing Board

East Contra Costa Regional Fee & Finance Authority

East County Water Mgmt. Assn.

eBART (Bay Area Rapid Transit) Partnership Policy Advisory Cmte.

Northern Waterfront Economic Development Ad Hoc Committee

State Route 4 Bypass Authority

TRANSPLAN

Tri Delta Transit Authority, Board of Directors

Serving as Alternate:

ABAG Executive Board

ABAG General Assembly

Bay Area Counties Caucus

Contra Costa Transportation Authority Board of Commissioners

First 5 Children and Families Comm.

Local Agency Formation Comm.

Mental Health Commission

Sacramento-San Joaquin Delta Conservancy Board

Attachment 2 County Supervisor Diane Burgis, District 3

Chair, Contra Costa County Board of Supervisors

February 18, 2021

Lisa M. Borba, President Board of Directors Contra Costa Water District 1331 Concord Avenue Concord, CA 94520

RE: Letter of Support for Beacon West and Willow Mobile Home Park Water System Consolidation, Bethel Island

Dear President Borba,

I am writing to express the Contra Costa County Board of Supervisors' support for the expansion of the Contra Costa Water District/Diablo Water District (CCWD/DWD) water service to Beacon West and Willow Mobile Home Park on Bethel Island. We believe that the expansion of water service on Bethel Island will help improve water quality and fire flow capacity while reducing the demand on groundwater supplies and lowering the costs of potable water service to the residents.

Bethel Island has a population of approximately 2,300 residents and is classified as a Severely Disadvantaged Community (DAC) under California Department of Water Resources guidelines and census-based data. Most residents on the island use groundwater as their primary source of domestic water that is often of poor quality and insufficient quantity. The 2018 implementation of the Delta Coves Development helped bring DWD water service onto the island. We now welcome the opportunity to expand the municipal water service to other residential communities on the island where it is needed.

The Willows Mobile Home Park (WMHP) currently uses groundwater provided through the County Service Area (CSA) M-28 for its 172 mobile home residences. Most residents of WMHP are on fixed incomes. While the water provided meets the minimum applicable health standards, it is high in salt, hardness, and manganese. Most residences use bottled water for drinking, which is an expensive alternative to those on a limited income. The well and treatment system is operationally marginal and subject to disruption when the local electrical power grid goes down during wind events. High winds have knocked out the power to the well several times over the last year, making the water supply unreliable when it is

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Phone: 925.252.4500 • Fax: 925.240.7261 Email: Supervisor_Burgis@bos.cccounty.us • www.CCCounty.us/SupervisorBurgis Ms. Lisa Borba Contra Costa Water District February 18, 2021

most needed for fire protection. WHMP is just one of many small groundwater systems on Bethel Island. Most of these systems have similar issues.

Expansion of the DWD water system would bring high quality water at a lower cost to WMHP's doorstep, providing a low-income community with the most fundamental necessities, clean water for drinking, bathing, and fire protection. Providing treated water from a municipal source such as DWD is a superior longterm solution to resolve these outstanding quality and quantity issues.

The County supports the use of Proposition 1 DAC Funding through the California Department of Water Resources and the San Joaquin River Funding Area for CCWD to obtain a CCWD/DWD Sphere of Influence Change, Annexation and Central Valley Plan Inclusion review as soon as possible, consistent with the grant funding agreement. County will also participate in seeking additional funding opportunities for construction, and would provide its share of funding for the design, construction, and connection fees.

CSA M-28 will continue supplying groundwater service to the WMHP following the SOI change, annexation, and CVP Inclusion approval until such time when the treated water pipeline is constructed, and the existing well infrastructure decommissioned. At that point County staff will recommend to the Board of Supervisors to initiate dissolution of CSA M-28.

The County strongly supports the CCWD's and DWD's efforts in expanding access to municipal water for the residents of Bethel Island.

Sincerely,

DIANE BURGIS, Chair County Supervisor, District 3

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DRAFT RESOLUTION NO. 21-04 RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING ANNEXATIONS TO CONTRA COSTA WATER DISTRICT AND DIABLO WATER DISTRICT – BEACON WEST AND WILLOW MOBILE HOME PARK

WHEREAS, the above-referenced proposal was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (§56000 et seq. of the Government Code); and

WHEREAS, the Executive Officer examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

WHEREAS, at the time and in the manner required by law, the Executive Officer gave notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer reviewed available information and prepared a report including her recommendations therein, and the report and related information have been presented to and considered by the Commission; and

WHEREAS, at a public hearing held on September 8, 2021, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendations, the environmental document and determination, applicable General and Specific Plans, consistency with the spheres of influence, and related factors and information including those contained in Gov. Code §56668; and

WHEREAS, information satisfactory to the Commission has been presented that no affected landowners/registered voters within the subject areas object to the proposal; and

WHEREAS, the Local Agency Formation Commission determines the proposal to be in the best interest of the affected areas and the organization of local governmental agencies within Contra Costa County; and

WHEREAS, the applicant has delivered to LAFCO an executed indemnification agreement providing for the applicant to indemnify LAFCO against any expenses arising from any legal actions to challenge the annexation.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

- 1. As a Responsible Agency under CEQA, the Commission determines that CCWD, as Lead Agency, found the project exempt pursuant to CEQA Guidelines section 15303 *New Construction or Conversion of Small Structures* and section 15319 Annexations of Existing Facilities and Lots for Exempt Facilities.
- 2. Annexations to CCWD of $37.53 \pm$ acres and to DWD of $30.1 \pm$ acres are hereby approved.
- 3. The subject proposal is assigned the following distinctive short-form designation:

BEACON WEST AND WILLOW MOBILE HOME PARK - ANNEXATIONS TO CONTRA COSTA WATER DISTRICT AND DIABLO WATER DISTRICT

- 4. The boundaries of the subject areas are found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
- 5. The subject areas shall be liable for any authorized or existing taxes, charges, and assessments currently being levied on comparable properties within the annexing agencies.
- 6. Water service is conditional on CCWD receiving acceptance for inclusion of the annexed areas from the U.S. Bureau of Reclamation (USBR), pursuant to the requirements in CCWD's contract with USBR for supplemental water supply from the Central Valley Project.
- 7. The subject areas are inhabited.
- 8. No affected landowners or registered voters within the subject areas object to the proposal, and the conducting authority (protest) proceedings are hereby waived.
- 9. All subsequent proceedings in connection with these annexations shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

PASSED AND ADOPTED THIS 8th day of September 2021, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

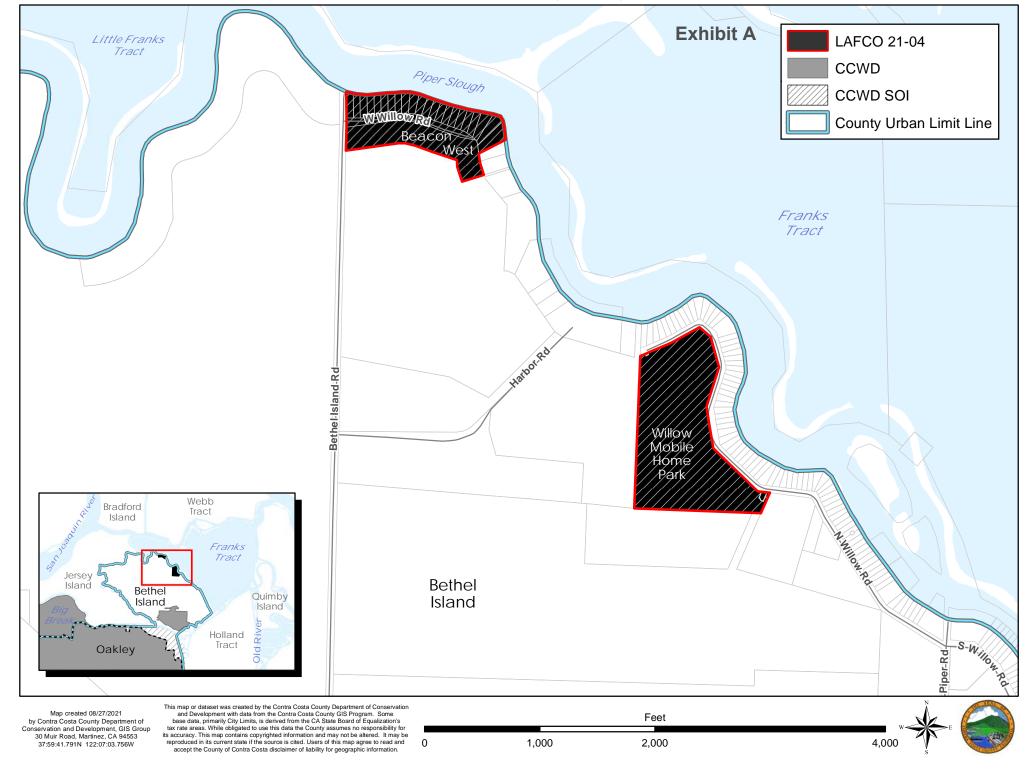
IGOR SKAREDOFF, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

Dated: September 8, 2021

Lou Ann Texeira, Executive Officer

LAFCO No. 21-04: Annexation to Contra Costa Water District (CCWD) - Beacon West and Willow Mobile Home Park



LAFCO No. 21-04: Annexation to Diablo Water District (DWD) - Beacon West and Willow Mobile Home Park

