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April 21, 2010 (Agenda)

April 21, 2010
Agenda Item 9

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

Mosquito & Vector Control and Resource Conservation Services 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.

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.

In 2006, the Commission approved a MSR/SOI work plan that provides for a phased approach to completing baseline MSRs/SOI updates for the 19 cities and remaining special districts using consultants and LAFCO staff. The approach involves a combination of service-specific (countywide), sub-regional, and agency-specific reviews.

To date, LAFCO has completed baseline countywide reviews covering healthcare, water/wastewater, fire/emergency, and reclamation services. In addition, the Commission has completed sub-regional MSRs covering all cities and community service districts, as well as several agency-specific MSRs.

SUMMARY

On February 10, 2010, LAFCO held a workshop, at which time the MSR consultants Jennifer Stephenson and Alex Hebert-Brown (Burr Consulting) presented an overview of the MSR covering Contra Costa Mosquito & Vector Control District (CCMVCD) and Contra Costa Resource Conservation District (CCRCD). The consultants provided an overview of the local agencies and their ability to provide services. The report includes 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 February workshop. The MSR report was then posted on the LAFCO website and circulated for a 28-day public review period. LAFCO received comments during the public review period from two agencies (Attachment 1). The Final Draft MSR report and SOI recommendations will be presented to the Commission on April 21, at which time the Commission will be asked to receive any final comments; accept the MSR report, adopt determinations, and update agency SOIs as presented in a separate agenda item. The MSR report is available on the LAFCO website at www.contracostalafco.org.

DISCUSSION

The Mosquito & Vector Control and Resource Conservation Services MSR report provides a comprehensive review of services provided by local agencies under LAFCO's purview, including the CCMVCD and CCRCD. 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 summarized below.

Growth and Population

Both districts provide services countywide. Since 2000, the County's population has increased from 949,000 to approximately 1.1 million (11%). Among the nine Bay Area counties, Contra Costa experienced the fastest residential growth since 2000. Population in the County is expected to grow by 21% over the next 25 years, with the most rapid growth in Pittsburg, San Ramon, Hercules, Pinole, Richmond, Brentwood, and Oakley.

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.

There is significant variation in service demand, capacity and management practices among agencies. Future demand for resource conservation education and creek restoration programs may relate to population growth. With regard to mosquito and vector control services, population growth does not increase the demand for services, but instead, alters the demand for the types of services provided. For example, urbanized areas have greater demand for source control services targeted at manmade structures, such as swimming pools; while control services in rural areas are targeted at natural and agricultural vector sources, such as providing technical expertise to landowners regarding improved drainage and surveying marshland.

CCRCD is providing adequate services given its financial constraints. The most significant service challenge for CCMVCD is the unpredictability of service demand from year to year due to a

combination of factors, including the natural fluctuation in vector populations, introduction of new diseases, and unforeseen impact of outreach programs.

Infrastructure

The MSR report provides information regarding agency infrastructure including facilities, vehicles and equipment. No significant infrastructure needs or deficiencies were identified.

Financing

The MSR report evaluates the financial ability of agencies to provide services. Most local agencies are experiencing a decline in revenues and an increase in costs.

CCRCDD's financial ability to provide services is constrained by limited property tax revenues, the State property tax withholding, and a decline in available grant funding. Due to the economic decline, CCRCDD reports that the current level of financing is not sufficient for adequate service provision. There are potential watershed projects that presently lack funding, and the District has reduced staffing to minimum levels.

CCMVCD reports that the current level of financing is sufficient for adequate service provision, but, like other agencies dependent on property taxes, reports a challenge due to uncertainty of this revenue source.

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 both districts demonstrated accountability and transparency based on constituent outreach and education, and disclosure of financial and service related information. Both districts have comprehensive and up-to-date websites. The report also notes that accountability to local voters is somewhat constrained as CCRCDD and CCMVCD board members are appointed and not elected.

Conclusion

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

A number of governance alternatives, including consolidation, 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 *Mosquito & Vector Control and Resource Conservation 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 it available to all affected agencies and interested parties.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Distribution

Attachments:

1. Comment Log
2. Draft Resolution with MSR Determinations

Log of Comments

Public Review Draft Municipal Service Review: MVCD and RCD

Commenter	Page Section	Comment	Response
CCMVCD, Craig Downs 2/19/10	p. 33: 2nd paragraph	Suggest changing language or deleting the paragraph as the 3rd paragraph states the same. "Mosquito and vector control refers to the prevention, detection and suppression of public health pests such as; mosquitoes, rats, mice, skunks and other vectors of human diseases using integrated pest management that include public education and outreach activities."	Deleted.
	p. 36: 1st paragraph	Add "outreach." Mosquito and Vector Control Services CCMVCD provides vector surveillance, prevention and/or control services in some form for mosquitoes, ticks, rats, mice, skunks, yellow jackets and Africanized honey bees and any related diseases, in addition to, pest identification and various educational and outreach programs. A majority of the vector abatement services throughout the County are provided directly by CCMVCD.	Added.
	p. 47 last paragraph	Correction to the number of full-time staff - The District employs 34 full-time staff and up to 17 seasonal staff.	Updated.
	p. 50 2nd paragraph	Update survey date for 2009. This survey was last completed in 2009.	Updated.
CCRCDD, Igor Skaredoff 3/16/10	Exec. Summary	Change the words "fiscal distress" and "significant financial constraints" to "financial constraints." The District would like the wording to reflect that the CCRCDD has handled reduced grant funding and property tax revenue with fiscal accountability and planning.	Changed.
	p. 29	10) Change "ongoing" to "potential future."	Changed.
	p. 29	11) Change "return to previous service levels" to "initiate new projects and programs."	Kept the words "return to previous service levels," and added "by initiating new projects and programs." Made changes in executive summary and p. 29.

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
ADOPTING DETERMINATIONS FOR THE
2010 MOSQUITO & VECTOR CONTROL AND RESOURCE CONSERVATION SERVICES
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 *Mosquito & Vector Control and Resource Conservation Services MSR* to be prepared; and

WHEREAS, on February 10, 2010, the Commission held a workshop to receive a preliminary overview of the *Mosquito & Vector Control and Resource Conservation Services MSR*, received and provided comments, and directed staff to circulate the draft MSR for public review; and

WHEREAS, the *Mosquito & Vector Control and Resource Conservation Services MSR* covers the Contra Costa Mosquito & Vector Control District (CCMVCD) and the Contra Costa Resource Conservation District (CCRCD); and

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

WHEREAS, on April 21, 2010, the Commission conducted a public hearing to receive the Final Draft MSR; and

WHEREAS, the Commission considered all comments, written and oral, received prior to and during the hearing on April 21, 2010; 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 Mosquito & Vector Control and Resource Conservation Services Municipal Services Review determinations attached hereto as Exhibit A and incorporated herein by reference are hereby adopted.

PASSED AND ADOPTED THIS 21st day of April 2010, by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

MARTIN MCNAIR, 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: April 21, 2010

Lou Ann Teixeira, Executive Officer

EXHIBIT A

MOSQUITO & VECTOR CONTROL AND RESOURCE CONSERVATION SERVICES MUNICIPAL SERVICE REVIEW DETERMINATIONS

I. Summary of Determinations and Key Issues

Growth and Population

Both districts provide services countywide. Since 2000, the County's population has increased from 949,000 to 1.1 million (11%). Among the nine Bay Area counties, Contra Costa experienced the fastest residential growth since 2000. Population in the County is expected to grow by 21% over the next 25 years, with the most rapid growth in Pittsburg, San Ramon, Hercules, Pinole, Richmond, Brentwood, and Oakley.

There is variation in service demand, capacity and management practices among local agencies. Future demand for resource conservation education and creek restoration programs may relate to population growth. With regard to mosquito and vector control services, population growth does not increase the demand for services, but instead, alters the demand for the types of services provided. For example, urbanized areas have greater demand for source control services targeted at manmade structures, such as swimming pools; while control services in rural areas are targeted at natural and agricultural vector sources, such as providing technical expertise to landowners regarding improved drainage and surveying marshland.

CCRCD is providing adequate services given its financial constraints. The most significant service challenge for CCMVCD is the unpredictability of service demand from year to year due to a combination of factors, including the natural fluctuation in vector populations, introduction of new diseases, and unforeseen impact of outreach programs.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

CCRCD and CCMVCD facilities have sufficient capacity to provide adequate service levels given existing demand. CCMVCD anticipates the need for an additional substation in the eastern area of the County in the future; timing will depend on growth in service demand and emergence and prevalence of any new vector-borne diseases. No major facility needs or deficiencies were identified for either district.

Financial ability of agencies to provide services

Most local agencies are experiencing a decline in revenues and an increase in costs. CCRCD's financial ability to provide services is constrained by limited property tax revenues, the State property tax withholding, and a decline in available grant funding. Due to the economic decline, CCRCD reports that the current level of financing is not sufficient for adequate service provision. There are potential watershed projects that presently lack funding, and the District has reduced staffing to minimum levels. CCMVCD reports that the current level of financing is sufficient for adequate service provision, but, like other agencies dependent on property taxes, reports a challenge due to uncertainty of this revenue source.

Status of, and opportunities for, shared facilities

CCRCD shares office space with the National Resources Conservation Service (NRCS), which promotes efficiency in program planning and access to NRCS staff expertise. CCMVCD does not currently share facilities. There may be an opportunity for sharing a facility with the County Department of Agriculture.

Accountability for community service needs, including governmental structure and operational efficiencies

Both districts demonstrated accountability and transparency based on constituent outreach and education, and disclosure of financial and other information. Both districts have up-to-date websites. Accountability to local voters is somewhat constrained as district board members are appointed and not elected.

II. Agency-Specific Determinations

CONTRA COSTA RESOURCE CONSERVATION DISTRICT (CCRCD)

Growth and population projections

1. The 2009 residential population within CCRCD is approximately 1.1 million; recent growth has been high.
2. The projected population growth rate from 2010 to 2035 is 21% in Contra Costa. Significant residential growth is anticipated within the District in Pittsburg, Brentwood, and Oakley in east county; Richmond, Hercules and Pinole in west county; and San Ramon in the southern portion of the County.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

3. Existing CCRCD owned and leased facilities are sufficient for the District to provide adequate service levels. However, the District hopes to move its office to a more convenient location for constituents and regional collaboration.
4. CCRCD owned facilities are limited to a weather station, which is in good condition and has no identified needs or deficiencies.
5. The present facilities have adequate capacity for the District to provide services well into the future.
6. The District is providing adequate services given financial constraints, based on honors and awards received and professional management practices.
7. CCRCD is a well-managed agency that conducts annual employee and agency performance evaluations, maintains up-to-date financial information and budgets, and conducts strategic planning for future service needs.
8. The most significant service challenge faced by CCRCD is the declining grant revenues received by the District since 2008, due to the economic crisis. The District reported that it is searching for additional revenue sources to return to previous financing levels.

Financial ability of agencies to provide services

9. The District's financial ability to provide services is constrained by limited property tax revenues, the State property tax withholding, and a decline in available grant funding.
10. Due to the economic decline, CCRCD reports that the current level of financing is not sufficient for adequate service provision. There are potential watershed projects that presently lack funding, and the District has reduced staffing to minimum levels.
11. The District will need to obtain additional grant funding in order to return to previous service levels by initiating new projects and programs.
12. CCRCD should consider charging fees for services, as appropriate, to augment revenues.
13. The District maintains sufficient reserves to compensate for funding shortfalls in the near future.

Status of, and opportunities for, shared facilities

14. The District shares its office space with the National Resources Conservation Service, which promotes synergies and efficiency in program planning and access to NRCS staff expertise.
15. No further opportunities for facility sharing were identified.

Accountability for community service needs, including governmental structure and operational efficiencies

16. Accountability to local voters is somewhat constrained as board members are appointed and not elected. However, CCRCD practices transparency and involves constituents in programming through outreach and education activities, easily accessible staff, and by maintaining a website where publications and other program information can be accessed.
17. The District demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.
18. If CCRCD continues to experience financial challenges, the District should investigate consolidation as a possible strategy to limiting costs and leveraging existing financing.

CONTRA COSTA MOSQUITO & VECTOR CONTROL DISTRICT (CCMVCD)

Growth and population projections

19. The 2009 residential population within CCMVCD is approximately 1.1 million; recent growth has been high.
20. The projected population growth rate from 2009 to 2030 is 21% in Contra Costa. Significant residential growth is anticipated within the District in Pittsburg, Brentwood and Oakley in east county; Richmond, Hercules and Pinole in west county; and San Ramon in the southern portion of the County.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

21. CCMVCD facilities and fleet are in good condition and presently have capacity to provide an adequate level of service to constituents. No infrastructure needs or deficiencies were identified for existing District facilities.
22. It is anticipated that a new district substation in the eastern portion of the County will be necessary in the future. Timing for the new substation will depend on financing levels, degree of growth in demand for services, and emergence of new vector-borne diseases in the County.
23. The District is providing adequate services, based on customer satisfaction with response times, the scope of services provided, and management practices.
24. CCMVCD is a well-managed agency that conducts annual employee and agency performance evaluations, maintains up-to-date financials and budgets, and conducts five-year planning for future service and capital needs.

25. The most significant service challenge for CCMVCD is the unpredictability of service demand from year to year due to a combination of factors, including the natural fluctuation in vector populations, introduction of new diseases, and unforeseen impact of outreach programs.

Financial ability of agencies to provide services

26. CCMVCD reports that the current level of financing is sufficient for adequate service provision, but, like other agencies dependent on property taxes, reports a challenge due to uncertainty of this revenue stream.
27. The District maintains sufficient reserves for future capital plans and contingencies.

Status of, and opportunities for, shared facilities

28. The District does not practice facility sharing.
29. Opportunities for future facility sharing include 1) sharing a facility with the County Department of Agriculture, or 2) consolidation with a provider in a neighboring county.

Accountability for community service needs, including governmental structure and operational efficiencies

30. Accountability to local voters is somewhat constrained as Trustees are appointed and not elected. However, CCMVCD practices transparency by conducting significant constituent outreach and education activities, having accessible staff, and by posting publications, agendas and other information on the District's website.
31. The District demonstrated accountability and transparency by disclosing financial and service related information in response to LAFCO requests.
32. Consolidation with a neighboring service provider has been reviewed by the District, and it was deemed to provide minimal financial gains with a number of reorganization challenges.