

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

July 13, 2011

Board of Supervisors Chambers
Martinez, CA

1. Chair Michael McGill called the meeting to order at 1:31 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 Gayle Uilkema and Alternate Mary Piepho.
Public Member Martin McNair and Alternate Sharon Burke.
Special District Members Michael McGill and Alternate George Schmidt.
Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda
Upon motion of McNair, second by Glover, the agenda was adopted unanimously.
5. Public Comments
There were no public comments.
6. Approval of June 8, 2011 Meeting Minutes
Upon motion of Tatzin, second by Glover, the minutes for the June 8, 2011 meeting were approved unanimously.
7. LAFCO 11-01 - Annexation 167B to Central Contra Costa Sanitary District (CCCSD)
The Executive Officer provided an overview of a proposal filed by CCCSD to annex 21 properties located in four separate areas in the vicinity of Concord and Walnut Creek to facilitate the extension of sewer services and eliminate islands within the District. It was noted that to date no protests had been received.
The public hearing was opened.
Jarred Miyamoto-Mills, Principal Engineer for CCCSD, noted that this is part of the District's ongoing work to include all unannexed properties within the District's boundary in response to findings of LAFCO's Municipal Service Review. He commented on the District's public outreach efforts, and noted that they expect to submit a few more applications.
There were no other public comments.
Upon motion of Uilkema, second by Schmidt, the Commission unanimously closed the public hearing and certified that it reviewed and considered the information contained in the environmental documents; approved the proposal to be known as Annexation 167B to CCCSD, 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 inhabited, has less than 100% consent of the affected landowners and registered voters, that no affected landowners/registered voters opposed the annexation, that the annexing agency has given written

consent to the waiver of conducting authority proceedings, waived the protest proceeding, and directed staff to complete the proceeding.

8. LAFCO 11-03 - Mt. Diablo Scenic Blvd. Annexation to Diablo Community Services District

The Executive Officer provided background and an overview of a proposal filed by landowners owning property along the upper portion of Mt. Diablo Scenic Blvd., adjoining a private road, to annex into Diablo Community Services District (DCSD) to receive District services and facilitate future improvements to the road. Annexation is an important first step to making improvements on this section of road, which is used extensively by visitors to Mt. Diablo State Park.

The public hearing was opened.

Ron Brown, Executive Director of Save Mount Diablo, urged approval of this annexation, as the road is in very poor condition.

There were no other public comments.

Upon motion of Tatzin, second by Uilkema, Commissioners unanimously closed the public hearing and found the annexation exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3); approved the proposal to be known as Mt. Diablo Scenic Blvd. Annexation to Diablo Community Services District as submitted, 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 less than 100% consent of the affected landowners, and is subject to a protest hearing; and authorized staff to conduct the protest proceedings.

9. Northeast Antioch Update

The Executive Officer gave an overview and brief chronology of the issues pertaining to the pending annexation of the Northeast Antioch area, and presented the written monthly report submitted by the City of Antioch and Contra Costa County, noting that the June 27 meeting was attended by Commissioner McNair and LAFCO staff.

Staff noted that the next meeting is scheduled for July 25.

Rich Seithel, a County representative of the committee, responded to questions from Commissioners relating to Area 2b (i.e., infrastructure and costs), and commented on the committee's work plan and timeline.

Upon motion of Glover, second by McNair, Commissioners unanimously accepted the report.

10. East County Fire Service Update

The Executive Officer provided the monthly update on recent actions and discussions involving East Contra Costa FPD (ECCFPD), the cities of Brentwood and Oakley, San Ramon Valley FPD, Cal Fire, and other interested parties.

The ECCFPD Board met on July 11, at which time it appointed a new Board President and received a presentation by Citygate that identified service and fiscal options intended to keep the District solvent. Staff noted that with the latest report from the County Assessor, the ECCFPD revenue figures decreased by four percent.

Steve Barr, Brentwood Vice Mayor, explained that the goal in East County is to not have fire service interrupted and that the City is still focused on finding solutions for maintaining ECCFPD.

Jim Frazier, Oakley Mayor and member of the ECCFPD Board and the District's revenue ad hoc committee, stated that the ad hoc committee is meeting weekly. The committee is made up of Frazier, Bob Kenny (Bethel Island), Joel Bryant (Brentwood), Gil Guerrero (Local 1230), and a representative from the County (to be determined). Mr. Frazier responded to Commissioner Piepho's questions regarding the various ad hoc and executive committee meetings.

Paul Eldredge, Brentwood Assistant City Manager, explained in response to a Commissioner's question about Brentwood's "Plan B" that the city is looking at detaching from ECCFPD and establishing a separate fire district that would serve only Brentwood.

Kevin Romick, Oakley Vice Mayor, stated that the ECCFPD Board has tasked both the executive committee and the ad hoc committee to return to the board with scenarios of what the District would look like with a \$1.2 million budget.

Commissioners discussed ramifications of Brentwood detaching from ECCFPD and LAFCO's role in this process.

Gil Guerrero of Local 1230 commented on ECCFPD's services, boundaries, and a potential parcel tax.

Bob Mankin, representing himself, acknowledged the difficulty of the situation, and reported that he has been participating in the ad hoc committee meetings and believes there is some hope to be found in the work that is being done.

Upon motion of Schroder, second by Tatzin, Commissioners unanimously accepted the report.

11. Mt. Diablo Health Care District

Chair McGill announced that before beginning this item, he wanted to again acknowledge that he is a member of the board of the Contra Costa Taxpayers Association (CCTA) but has no conflict in this matter.

The Executive Officer gave an overview and a brief chronology leading to consideration of dissolution for Mt. Diablo Health Care District (MDHCD), including four Grand Jury reports, the latest of which was issued in June 2011, and a request by CCTA, calling for dissolution.

Staff listed the components of a district dissolution: initiation; timing/election/public hearings; special study; effects of dissolution; cost and other issues as identified in the process. Whether the dissolution is initiated by petition of registered voters or landowners, by resolution of the district or another affected agency, or by LAFCO, the first step is to conduct a special study, the focus of which would be services, finances, and a successor agency. Costs associated with dissolution would be the study and other LAFCO-related costs, as well as an election, required under current law. This law may change before the end of the year, with passage of AB 912, which would eliminate the requirement for elections in the matter of district dissolutions, unless protests reached the prescribed threshold.

Commissioners discussed the details of the steps to be taken. In response to a question regarding issuing an RFP for a special study, Legal Counsel confirmed that such direction can be given. Staff noted that no funds have been budgeted for such a study, and that funding would need to be authorized by the Commission from the contingency reserve. The cost for an election, if necessary, would be borne by the District. To date, staff has been unable to find any comparable health care district dissolutions.

The public hearing was opened.

Roya Biarash, with MDHCD, defended MDHCD and highlighted the CPR training of high school freshmen throughout the District.

Richard Solderholm, resident of Concord and former member of the Grand Jury that wrote the first report on the dissolution of MDHCD, urged dissolution and criticized the Board Chair's management.

Ralph Ferguson, legal counsel for MDHCD, cited the coming effect of the Federal health care laws on local health care districts, and requested a one- or two-year delay in a special study on MDHCD.

Grace Ellis, Chair of the MDHCD Board, defended MDHCD, and spoke of the value of the Districts services and programs, and particularly, the CPR training program.

Davis Todhunter, no longer present when his name was called, noted his support of dissolution.

James Adams, resident of Diablo, spoke in favor of dissolution.

Leslie Lea, prior member of the Grand Jury and member of the Contra Costa Taxpayers Association, spoke in favor of dissolution.

Wendy Lack, representing herself, urged dissolution.

Kris Hunt, Executive Director of Contra Costa Taxpayers Association, stated that the District has outlived its usefulness and has very high health care benefit obligations for two members of its board; she urged dissolution.

Roy Larkin, MDHCD Board Member, commented that current board members serve because they care; they get no personal compensation for their work.

The public hearing was closed.

Commissioner McNair noted that he was apprised of the District's problems two years ago, but that it may be premature to go forward until knowing the disposition of AB 912; he recommended postponement of action at this time. Commissioner Glover agreed.

Commissioner Tatzin commented that a special study is still needed and could be done while awaiting the Governor's action on AB 912. He recommended amending the motion to include an RFP for the special study and a letter of support for AB 912 to Governor Brown.

Upon motion of McNair, second by Glover, Commissioners unanimously directed staff to prepare a scope for a special study; distribute an RFP for a consultant to conduct said study; bring proposals to the August meeting; and send a letter of support for AB 912 to Governor Brown.

At 4:00 p.m. Commissioner Glover departed; Alternate Mary Piepho stepped up to the dais for the remainder of the meeting.

12. Response to Grand Jury Report 1105: "Ethics and Transparency Issues in Contra Costa County"

The Executive Officer reported that a response to Grand Jury Report No. 1105 is required by August 24.

Commissioners made suggestions on wording of the letter, and suggested that the recommendation regarding public members' ethics training under AB 1234 be addressed in a future change in the LAFCO policy manual.

Upon motion of Tatzin, second by Piepho, Commissioners unanimously approved the letter with recommended changes and directed staff to edit and send the response.

13. Website Maintenance Contract

Upon motion of Uilkema, second by Tatzin, the Commissioners unanimously authorized LAFCO staff to execute a contract with Spark Innovations to provide website services for the period of July 1, 2011 through June 30, 2013 in an amount not to exceed \$4,680.

14. Strategic Workshop

The Executive Officer provided an update on the upcoming LAFCO Strategic Workshop, scheduled for Monday, August 15, 7:45 a.m. to 12:00 noon, at the Lafayette Community Center. Staff is working with Bill Chiat to develop an agenda that will address emerging issues important to LAFCO.

15. Correspondence

The Commission had no comments on the correspondence.

16. Commissioner Comments and Announcements

Commissioner Schroder reported that he and Commissioner Burke have set a meeting for July 20 to discuss nominations for the SDRMA Board.

17. Staff Announcements and Pending Projects

Staff commented on correspondence, pending projects, CALAFCO legislation (AB 912 and SB 89), and news articles.

The meeting was adjourned at 4:15 p.m.

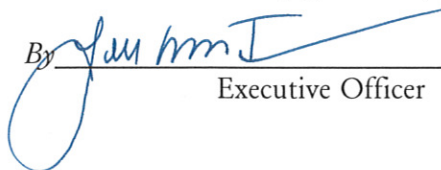
Final Minutes Approved by the Commission on August 10, 2011.

AYES: Burke, McGill, Piepho, Schmidt, Schroder, Tatzin, Uilkema

NOES:

ABSTAIN:

ABSENT: Butt (A), Glover (M), McNair (M), Meadows (M)

By  _____
Executive Officer