

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

December 14, 2011 (Agenda)

December 14, 2011
Agenda Item 6

LAFCO 11-10

Contra Costa Water District (CCWD) - Out of Agency Service Request
(Clayton Regency Mobile Home Park)

SYNOPSIS

This is a request by CCWD to provide water service outside its jurisdictional boundaries and outside the District's sphere of influence (SOI); the property is also outside the countywide voter approved Urban Limit Line (ULL). The property is 28 acres (three parcels) located at 16711 Marsh Creek Road in unincorporated Central Contra Costa County (Attachment 1). The property houses the Clayton Regency Mobile Home Park (CRMHP) which has spaces for 192 mobile homes. Currently, 120 of the spaces are occupied with a population of approximately 280 residents.

In accordance with the County General Plan, the property is designated as Agricultural Land and is primarily zoned T-1 (Mobile/Manufactured Home District), with a 1.32 acre portion zoned R-B (Retail-Business District). The adjacent parcel to the north is occupied by the mobile home park's septic system leach field, and is within A-2 (General Agricultural District).

CCWD's request to provide out of agency water service is in response to an existing public health emergency as discussed below.

DISCUSSION

Statutory Framework – Out of Agency Service

The Government Code and local LAFCO policy regulate the extension of out of agency service. State law requires LAFCO review and approval of boundary changes and extensions of service without boundary changes. Government Code §56133 states that "A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from the Commission." Further, the law provides that LAFCO may authorize a city or district to provide new or extended services under specific circumstances: a) outside the agency's jurisdictional boundaries but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundaries and outside its SOI in response to an existing or impending threat to the public health or safety.

The Commission's current policies regarding out of agency service are consistent with State law in that annexations to cities and special districts are usually preferred for providing municipal services. However, there may be situations where health and safety, emergency service, or other concerns warrant out of agency service. Historically, out of agency service is considered a temporary measure, typically in response to an existing or impending public health and safety threat (e.g., failing septic system, contaminated well); or in anticipation of a future annexation.

Out of Agency Service Request by CCWD

CCWD requests to provide out of agency service to provide interim and long-term water service to the CRMHP. In October 2009, CCWD, the County and Clayton Regency LLC entered into a 3-party agreement ("3-party Agreement") which provides for out of agency water service to the CRMHP (Attachment 2). The 3-party Agreement contains specific provisions relating to interim and long-term water service to the mobile home park, and not to any other properties. Although not party to this 3-party agreement, the City of Brentwood, which has provided water to CRMHP since 2001, supports CCWD's proposed extension of water service to the mobile home park (Attachment 3).

The law permits LAFCO to authorize CCWD to extend services outside its jurisdictional boundary either in response to an existing or impending threat to the public health or safety, or in anticipation of an annexation. The request by CCWD to provide water service to the CRMHP is in response to existing public health emergency. CCWD indicates that out of agency service, and not annexation, is the appropriate mechanism to address the emergency situation.

Water Supply to the Mobile Home Park

Water was originally supplied to the CRMHP using ground water and an onsite well system. Due to the brackish water, a reverse osmosis (RO) system was installed in the mid-1980s to remove brine from the water. Brine from the mobile home park's RO unit was discharged into either the septic disposal system or into onsite brine infiltration wells. In 2001, the Central Valley Regional Water Quality Control Board issued an order prohibiting discharge of RO brine into onsite infiltration; and offsite disposal of the brine was determined to be infeasible.

Consequently, the County Health Services Department (CHS) allowed the temporary use of water hauled by truck, in lieu of closing the mobile home park. The source of the hauled water is a fire hydrant located in the City of Brentwood. Clayton Regency LLC owns and operates two water hauling trucks that transport the water (up to 16 loads per day depending on demand). The water is transferred to onsite water tanks and then distributed to units in the mobile home park through a system of pipes and pumps. There are currently two 63,000 gallon water tanks onsite that supply the mobile home park. The trucked water serves as a source of potable water and for fire protection with water use limited to the CRMHP.

In 2002 and 2005, CHS issued citations and notices to Clayton Regency LLC noting that hauled water does not constitute an acceptable long-term water supply given the residential density of the mobile home park. In 2007, CHS advised CCWD of the potential for contaminating potable water with pathogenic bacteria and viruses during filling; that transport and delivery presented an unacceptable risk of waterborne diseases to the residents of the mobile home park; that the residential density of the mobile home park compounded the risk of waterborne disease, and then possibly communicable disease; and that the contamination of a single truck had the potential to impact a large number of people. CHS concluded that there was a "severe public health hazard that constitutes a public health emergency" at the CRMHP and requested CCWD's assistance (Attachment 4). After reviewing a range of water supply options, it was determined that CCWD, as the nearest water provider, was the only available option that would ultimately resolve the public health hazard. In response to the County's request, CCWD has agreed to provide assistance.

CCWD proposes to provide interim and long-term water service to the mobile home park. The project will consist of a temporary fill station to provide interim water supply that replaces the current fill station, which uses a City of Brentwood fire hydrant; a three mile long pipeline from the existing CCWD Marsh Creek Road pipeline terminus to the mobile home park entrance to provide long term water service to the Park; a water meter at the park entrance; a disinfectant booster station; a pipeline flushing station at the Park; a pipeline extension within the Park from the end of the CCWD pipeline extension to the two existing 63,000 gallon water tanks inside the Park; and a staging area for the construction of the pipeline extension. The project is expected to take approximately 18 months, and the estimated cost is \$7.1 million. Clayton Regency LLC will be responsible for all costs associated with the project, including capital and operating.

Environmental Review

In September 2011, the County, as Lead Agency, adopted an Initial Study/Mitigated Negative Declaration (MND) for the CRMHP Emergency Water Supply Pipeline Extension Project (SCH#2011022036). The LAFCO Environmental Coordinator has reviewed the environmental document and finds it is adequate for LAFCO purposes.

Several hearings were held before the County Zoning Administrator and Planning Commission to consider the project and the MND. Appeals were filed by Save Mount Diablo (SMD) and property owners residing along Marsh Creek Road seeking to be included in the water pipeline extension project. The majority of these property owners are already within the CCWD service boundary.

In June 2011, the County Planning Commission denied the appeals and approved the land use permit along with conditions of approval. The Planning Commission added five new conditions of approval, which included modifications to the proposed water pipeline, amendments to the 3-party agreement between the County, CCWD and Clayton Regency LLC to allow existing property owners in the area to access the water, that any LAFCO application include appropriate approvals for those property owners along the pipeline to be included in the CCWD, and that all costs associated with the project be borne by Clayton Regency LLC except for individual property owner construction costs.

The conditions added by the Planning Commission substantially altered the project as conceived under the 3-party agreement. In response, the Clayton Regency LLC filed an appeal to the Planning Commission's decision to add the five new conditions, indicating that these conditions substantially changed the terms of the 3-party agreement, that the proposed larger pipe size could heighten concerns about fostering growth in the area, and that the new conditions would likely add significant cost to serve others and other users, unrelated to the mobile home park. The Clayton Regency LLC requested that the Board of Supervisors approve their appeal.

In addition, SMD submitted an appeal of the County Planning Commission's decision, and the County's adoption of the MND. SMD noted that the five new conditions are at odds with the design and intent of the 3-party agreement; that the project analyzed in the MND is no longer "the project" given these new conditions; that an inappropriate baseline was used in the MND; that the project extends urban services outside the ULL; that there is no public health emergency since the water

problems have been ongoing for years; that there are alternatives to the project, but no serious alternatives analysis was undertaken; and that there are potentially significant environmental impacts that were not fully described and mitigated. SMD requested that the Board of Supervisors approve their appeal.

On September 20, 2011, the County Board of Supervisors took action to approve the project and the MND, approve the appeal filed by Clayton Regency LLC, and deny the appeal filed by SMD. The 30-day statutory limitation for appeal on the MND passed without any challenge.

ALTERNATIVES FOR COMMISSION ACTION

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation and determination of local agency boundaries, and facilitating the efficient provision of public services. The CKH provides that LAFCO can approve or disapprove with or without amendment, wholly, partially, or conditionally, a proposal. The statute also provides LAFCO with broad discretion in terms of imposing terms and conditions. The following options and recommended terms and conditions are presented for the Commission's consideration.

Option 1 Approve the out of agency service request with the following terms and conditions.

- A. Finds that, as a Responsible Agency under CEQA, the Commission has reviewed the County's 2011 Initial Study/Mitigated Negative Declaration for the *Clayton Regency Mobile Home Park Emergency Water Pipeline Extension Project* and adopts the findings included therein that approval of the out of agency service request would have no significant effects on the environment.
- B. Authorizes CCWD to extend water service outside its jurisdictional boundaries and outside its SOI to the CRMHP 28-acre property located at 16711 Marsh Creek Road in unincorporated Central Contra Costa County subject to the following terms and conditions:
 - 1. Water infrastructure is limited to and designed to serve only the 192 units/ spaces located within the CRMHP, and is limited to a 4-inch diameter water line, as determined by CCWD.
 - 2. Interim water service will commence following construction of interim facilities once LAFCO approves the Out of Agency Agreement assuming all other terms of the 3-party Agreement are satisfied. Interim water service is intended to be in place for no longer than 18 months. An extension of this time frame requires an amendment to the 3-party Agreement by all three parties but will not be unreasonably withheld consistent with the applicable terms of the 3-party Agreement.

3. Long term water service to the property may commence once the new water line is constructed. Construction of the new water line will commence once the Department of the Interior, U.S. Bureau of Reclamation approves the use of Central Valley Project water under the Out of Area Service Agreement for long-term service to the Mobile Home Park and all other applicable terms of the 3-party Agreement are satisfied.
4. CCWD has delivered to LAFCO an executed indemnification agreement providing for CCWD to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service.

Option 2 **Deny** the request, thereby prohibiting CCWD from providing water service to the CRMHP.

Option 3 **Continue** this matter to a future meeting in order to obtain more information.

RECOMMENDATION

Option 1

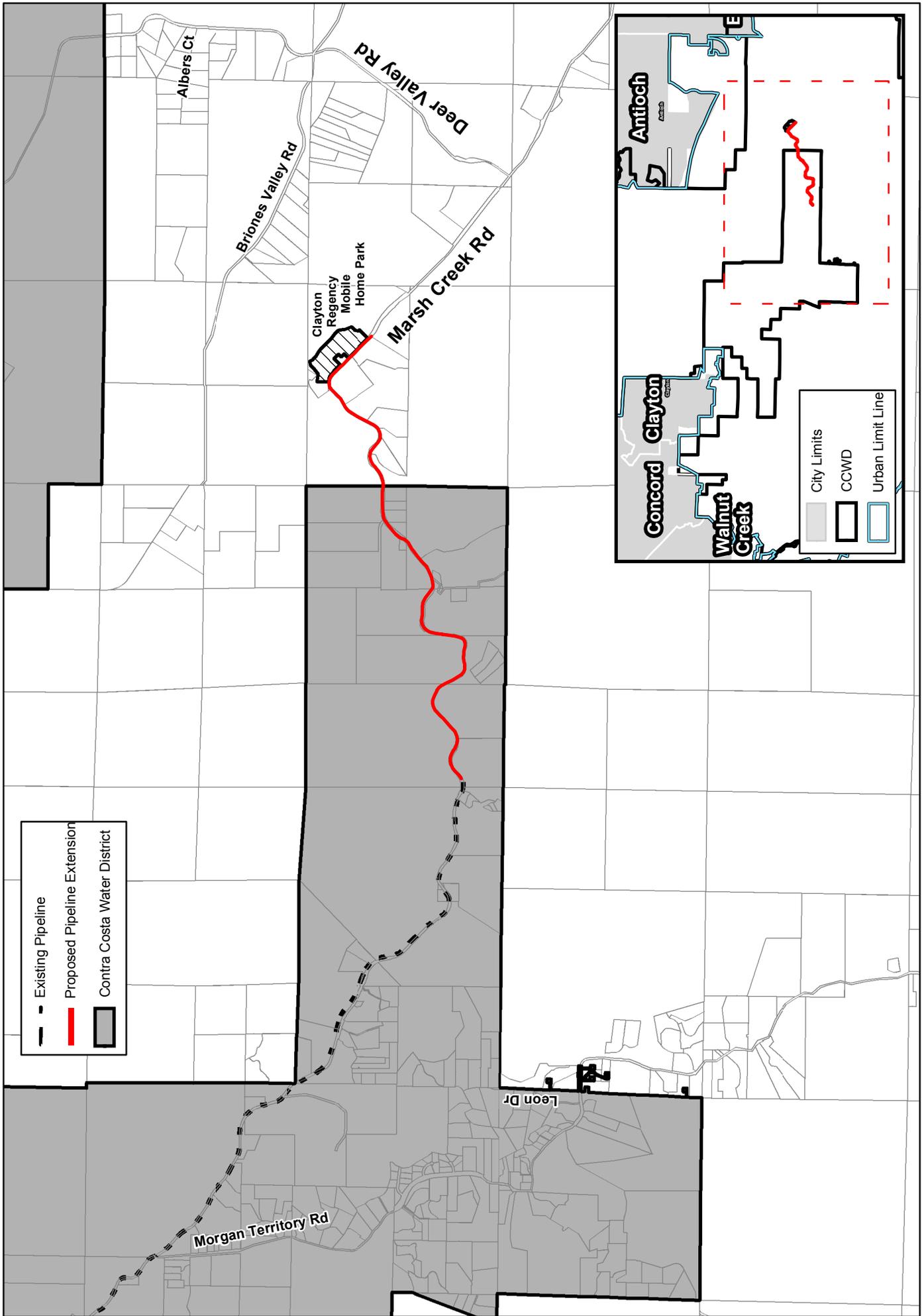
LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

Attachments

1. Map of Clayton Regency Mobile Home Park and Proposed Water Pipeline
2. Out of Agency Service Agreement Between Contra Costa County, Contra Costa Water District and Clayton Regency LLC ("3-party Agreement")
3. Letter from the City of Brentwood to the County Board of Supervisors dated July 28, 2009
4. Letter from the County Health Services to CCWD dated June 18, 2007
5. LAFCO Resolution 11-10

c: Distribution

LAFCO No. 11-10: Contra Costa Water District Out of Agency Service (Clayton Regency Mobile Home Park)



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 by Contra Costa County Department of Conservation and Resource Management, GIS Group
 601 Pine Street, 4th Floor North Wing, Martinez, CA 94555-0050
 37.59-48.465N, 122.0833-384W

**OUT OF AREA SERVICE AGREEMENT FOR WATER SERVICE TO
CLAYTON REGENCY MOBILE HOME PARK**

This Out of Area Service Agreement for Water Service to Clayton Regency Mobile Home Park ("Agreement") is made and entered into this 27th day of October, 2009 ("Effective Date"), by and between the Contra Costa Water District, a county water district organized under the County Water District Law ("CCWD"), Clayton Regency, LLC, a Delaware limited liability company ("CR-LLC") and Contra Costa County, a political subdivision of the State of California ("County"). The parties hereto may collectively be referred to as the "Parties" or individually as a "Party."

RECITALS

- A. CR-LLC owns a mobile home park located 16711 Marsh Creek Road, within an unincorporated area approximately seven (7) miles southeast of Clayton in Contra Costa County, California, commonly known as the Clayton Regency Mobile Home Park ("the Park"). The Park was originally approved by the County Planning Agency on February 26, 1962 (County Land Use Permit #26-62). Land Use Permit #194-69, approved on October 15, 1969, amended Land Use Permit #26-62 to allow for expansion of the Park. Construction of the Park was completed in approximately 1970. An additional land use permit (LUP #032033) was approved on September 8, 2004, which expanded the area of the Park for the sole purpose of installing a new septic system. Land Use Permits #26-62, 194-69 and 032033 are collectively referred to as the "County Land Use Permit." The County Land Use Permit allows for a maximum of 192 pre-manufactured homes and 8 additional spaces for temporary use by recreational vehicles, and common areas.
- B. The Park is outside of CCWD's current service area boundary and sphere of influence, outside of the authorized service area for delivering Central Valley Project (CVP) water under CCWD's Long Term Renewal Contract for CVP Water (Contract No. 175r-3401A-LTR1, hereinafter called "Contract") and outside of CCWD's Los Vaqueros Project Area.
- C. Potable water at the Park is currently provided to residents within the Park property through a system of pipes, pumps and tanks that are owned, operated and maintained by CR-LLC. Water is currently obtained on a temporary basis from the City of Brentwood. CR-LLC owns and operates two State-certified potable water trucks which transport water (up to 16 loads per day, depending on demands) from a fire hydrant in Brentwood to two 63,000 gallon water storage tanks at the Park. The trucked water serves as the source of potable water and water for fire protection on the Park property. CR-LLC does not serve water outside of the Park boundary.
- D. In a June 18, 2007, letter to CCWD (attached hereto as **Exhibit 1** and incorporated herein by reference), the Public Health Director for the County of Contra Costa ("Public Health Director") advised that the potential for contaminating potable water with pathogenic bacteria or viruses during filling, transport and delivery presented an unacceptable risk of waterborne diseases to the residents of the Park, that the residential density of the Park

compounded the risk of waterborne, and then possibly communicable, diseases, and that contamination of a single water truck had the potential to impact a large number of individuals. Based on his evaluation of these conditions, the Public Health Director concluded that there was a "severe public health hazard that constitutes a public health emergency" at the Park. The Public Health Director advised that Contra Costa Health Services ("CCHS") viewed water service from CCWD as the only available option that would resolve this public health hazard and requested CCWD's assistance.

- E. In response to Exhibit 1, CCWD has agreed to provide such assistance on a contract basis subject to the terms and conditions for such service described in their entirety in this Agreement. CCWD's sole obligation under this Agreement is to provide potable water service meeting the requirements of this Agreement.
- F. Pursuant to Government Code section 56133, CCWD has the authority to provide extended water service outside its jurisdictional boundary to respond to an existing or impending threat to public health or safety of the residents of the affected territory. Providing such water service requires that an out of area service agreement be entered into and approved by the Local Agency Formation Commission (LAFCO). This Agreement is intended to be such an agreement.
- G. The East Contra Costa County Fire District ("Fire District") has determined that CCWD has no obligation to provide water for fire protection purposes at the Park because State regulations require CR-LLC to be solely responsible for the fire protection system and for providing required fire flows at the Park. That determination was set forth in a June 1, 2007, letter from the Fire District to CCWD (attached hereto as **Exhibit 2** and incorporated herein by reference). Accordingly, CCWD has no responsibility under this Agreement to provide fire flows to the Park or to property along any portion of the length of the pipeline serving the Park, fire facilities or equipment, or fire protection.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements contained herein, CCWD, CR-LLC and County agree as follows:

AGREEMENT

1. PURPOSE

The sole purpose of this Agreement and the sole basis upon which water service is being provided by CCWD is to assist the CCHS in addressing its concerns with water service at the Park and responding to the assessment of CCHS that water service from CCWD is the only available option that would resolve the public health hazard at the Park, as set forth in Exhibit 1. CCWD has not undertaken any new obligation, commitment or responsibility to the Park or CCHS beyond what is expressly described in this Agreement. The Parties agree that each of the Recitals set forth above is a part of this Agreement.

2. PROJECT

The "Project" as that term is used within this Agreement is defined as the detailed design, construction and installation of all facilities required by CCWD to provide interim and long-term domestic potable water service to the Park ("Water Service Facilities"). A separate agreement ("Design and Construction Agreement") will describe the scope of the planned facilities, payment terms and responsibilities of CCWD and CR-LLC with regard to the Project. CR-LLC has submitted a \$100,000 deposit to CCWD to fund preparation of a preliminary design in order to develop preliminary data on water demand, determine the size of the water pipeline required to meet that demand and develop a preliminary facilities alignment. However, no detailed design, construction or installation work will occur until after the Design and Construction Agreement has been fully executed by the parties thereto.

3. WATER PIPELINE

The new CCWD water pipeline to the Park ("Pipeline") will be designed, constructed and installed by CCWD solely to serve the Park, and will have no excess capacity to provide water service for any purpose other than domestic potable water service to the Park. No other properties will be served by the Pipeline. There will be no capability or capacity in the Pipeline to provide any fire service, fire protection, or fire flows at the Park or at any point along the route of the Pipeline. CCWD's responsibility for providing domestic potable water service to the Park ends at the water meter that will be located at or approximate to the Park boundary. The Pipeline, from its starting point to the water meter, is depicted on the figure attached hereto as **Exhibit 3** and incorporated herein by reference. CR-LLC has complete responsibility for domestic potable water service at the Park beyond the water meter, including but not limited to installing, operating, maintaining and replacing all necessary facilities on the Park property.

4. WATER SERVICE

Water service to the Park under this Agreement will be provided by CCWD on an interim and long-term basis, as follows:

a. Interim Water Service

Interim water service will be provided in accordance with Section 5.12.100 of CCWD's Code of Regulations, as amended ("Regulations"), Temporary Service, excluding Section 5.12.100 (F) "Public Fire Protection Surcharge." Interim water service is potable water that will be provided from a new fill station. The fill station will be designed and constructed by CCWD for this purpose at the sole cost of CR-LLC and in accordance with the Design and Construction Agreement, however, the fill station will not be constructed if CCWD has determined that it will not commence interim water service due to a declaration of a water shortage by the CCWD Board of Directors, as described below. Interim water service shall begin within a reasonable time following completion of all of the following: LAFCO approval of this Agreement; CCWD determination that all necessary approvals have been obtained, all required permits have been issued, and all decisions have been made concerning the Project that are necessary for CCWD to commence interim water service under the Agreement; CCWD determination that all new facilities required for interim water service are complete; CCWD

determination that all required property for the Project has been acquired by CR-LLC in accordance with section 5.h. of this Agreement; and CCWD determination that CR-LLC has made satisfactory arrangements for all required payments per the terms of the Design and Construction Agreement including payment in full of the Fee, as defined in Section 5.b of this Agreement. CCWD will not commence interim water service during a period of water shortage as declared by the CCWD Board of Directors. However, if interim water service has commenced or the interim water service fill station has been constructed, interim water service will not be halted as a result of a declaration of water shortage. Interim water service will end within one and one-half (1 ½) years from the date of initiation of Interim water service, or upon CCWD's initiation of long-term water service, whichever occurs earlier. An extension of time for interim water service will require an amendment to this Agreement, fully executed by all of the Parties. As long as the extension is reasonable under the circumstances, the Parties will timely execute the amendment to extend the term.

b. Long-Term Water Service

Long-term water service will be permanent and will be provided by CCWD in accordance with Section 5.12.020 of the Regulations, Residential Multiple Unit Service, excluding Section 5.12.020 (E) "Public Fire Protection Surcharge." CCWD will provide long-term water service from the Pipeline. Long-term water service will begin when the Pipeline, other new facilities deemed necessary by CCWD for long term water service and described in the Design and Construction Agreement, and the water service meter (collectively, the "Long-Term Water Service Facilities") are authorized for water service by CCWD, and when CCWD determines that all requirements for service under the Regulations have been met.

c. Terms and Conditions

In addition to the terms and conditions contained in this Agreement, all other applicable terms and conditions for service described in the Regulations will apply to interim and long-term water service for the Park.

5. CR-LLC RESPONSIBILITIES

a. CR-LLC is responsible for payment to CCWD of all fees and charges for the interim and long-term water service that are due according to the Regulations, and CR-LLC will comply with all applicable provisions of the Regulations. In addition, CR-LLC is responsible for payment to CCWD of all costs associated with the Project in accordance with the Design and Construction Agreement. Project costs will be funded in three phases, design, construction of interim facilities and construction of long-term facilities with a "true-up" at Project completion. Details of such funding and financial assurance mechanisms, if necessary, shall be set forth in the Design and Construction Agreement.

b. CR-LLC will pay to CCWD a one-time fee representing all costs of future operation, maintenance and replacement of the Long-Term Water Service Facilities ("Fee"). In establishing the amount of the Fee, CCWD will estimate the costs and determine the present value cost to maintain the facilities in perpetuity. The Fee will be specified in the Design and Construction Agreement and will be paid in accordance with the terms of that Design and

Construction Agreement. If at any time water service is terminated under any provision of this Agreement, CR-LLC will not receive any refund of the amount paid for future operation, maintenance and replacement.

c. CR-LLC will endeavor to ensure that use of water at the Park conforms to the Regulations by notifying Park residents of the applicable use restrictions and, to the extent reasonably feasible, monitoring water usage at the Park. Pass-through of costs for water service to the Park residents shall be in accordance with CCWD regulations and other applicable state and local laws and regulations.

d. CR-LLC agrees that the domestic water system at the Park is a "small water system" as defined by Section 414-4.221 of the Contra Costa County Ordinance Code and will comply with all provisions of the Contra Costa County Ordinance Code pertaining to small water systems, including but not limited to Article 414-4.4

e. CR-LLC will apply for and diligently pursue an amendment to the County Land Use Permit ("Land Use Permit Amendment") that will (1) reflect changing the source of drinking water for the Park from the current trucked-in water supply to the water service to be provided by CCWD pursuant to this agreement; (2) eliminate the eight temporary recreational vehicle spaces at the Park; (3) eliminate recreational vehicles from being occupied at the Park; (4) limit the maximum number of mobile home spaces to the current 192; (5) prohibit 2-story mobile homes, with the exception of the existing 2-story unit, from being located in the spaces adjacent to Marsh Creek Road; and (6) designate the use of the 1.3 acre property (Assessors Parcel No. 007-191-003) within the Park for community facilities, park and recreation and the Park office, restricting retail business and commercial uses from being established at that location to serve customers other than Park residents.

f. CR-LLC is responsible for fire protection systems or facilities and is responsible for providing required fire flows at the Park that meet all applicable federal, state and local requirements.

g. After this Agreement is fully executed, this Agreement will be recorded against the title for the Park. CCWD and County hereby acknowledge and certify that this Agreement does not establish real property interests in their favor regarding the Park nor does it establish a right for CCWD or County to attach liens to the Park property. CR-LLC shall give written notice to all current and prospective Park residents of this Agreement and any and all changes in zoning and/or changes in the County Land Use Permit that are related to the provision of domestic water to the Park, pursuant to Civil Code section 798.27. CCWD and County agree to execute, upon CR-LLC's future reasonable request, an estoppel certificate confirming facts relating to the status of the Project at the time of the request, including but not limited to status of payments and construction, to the extent the executing party possesses knowledge of such facts.

h. CR-LLC will be solely and exclusively responsible to provide and maintain all distribution piping, storage, and pumping necessary for domestic potable water supply and water quality, fire protection systems, and fire flows on the property, including any improvements that might be necessary as a result of obtaining domestic potable water supply from CCWD at the flow and pressure specified in this Agreement.

i. CR-LLC is responsible for acquiring and payment for all property and property rights for new facilities deemed necessary for the Project by CCWD. Property will be acquired on a schedule that will avoid delay of the Project. No interim or long-term service will be initiated by CCWD until all necessary property rights for the Project are acquired.

j. CR-LLC agrees that it will retain its ownership of the Park until the long-term water service has been initiated pursuant to this Agreement, unless sale of the Park and assignment of CR-LLC's obligations under this Agreement are consented to in writing by CCWD and County, as described in Section 13 of this Agreement.

k. CR-LLC will acquire and pay all application fees for all permits required by any local, state or federal agency with jurisdiction over the Project.

l. CR-LLC hereby acknowledges and waives any and all rights it may have pursuant to Chapter 540-2.408 and 540-2.410 of the Contra Costa County Ordinance Code to seek an increase in mobile home space rent at the Park as a means of recovering its capital costs of planning, permitting, construction and installation of the Project. CR-LLC reserves the right to seek recovery from Park residents of the Fee and the cost of the water provided in a manner consistent with the Contra Costa County Ordinance Code. CR-LLC will inform Park residents as to the nature of any such charges and where questions or complaints regarding those charges should be directed.

6. COUNTY RESPONSIBILITIES

a. The County Planning Agency will be the Lead Agency and will prepare and certify all documentation required under the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) ("CEQA") for the Project. The County Planning Agency will provide the administrative draft CEQA documents to CCWD for review prior to public circulation. The terms and conditions for water service described in this Agreement will be reflected in the CEQA documents. Responsibility for completion of the CEQA documents and approval of the Land Use Permit Amendment rests solely with the County Planning Agency and any such approval is left to its sole discretion.

b. Following completion of the CEQA documents and final approval of the Land Use Permit Amendment, the County will request that CCWD prepare and submit an application to LAFCO to provide extended water service pursuant to this Agreement outside CCWD's jurisdictional boundary. County will request that LAFCO approve CCWD's application, and that LAFCO expressly condition its approval to apply only to CCWD's extension of water service to the Park, and not to any other properties.

c. County's Conservation and Development Department, in coordination with CCWD environmental staff, will prepare all documentation required by the U.S. Bureau of Reclamation ("USBR") for National Environmental Policy Act ("NEPA") compliance.

d. Under no circumstances may the Pipeline be used to provide water service to any property other than the Park pursuant to this Agreement. If installation of the Pipeline leads to

requests to CCWD from other persons or entities to receive water service from CCWD from the Pipeline, CCWD may forward the requests to County. In response to such requests, County staff will explain to any person or entity making such a request the unique circumstances leading to the provision of water service by CCWD only to the Park pursuant to this Agreement, consistent with Exhibit 1. If the County determines that emergency public health conditions exist at another location in the vicinity of the Park or along the route of the new water pipeline, County may request CCWD to assist in resolving the public health emergency and to enter into a separate agreement for such assistance. The County recognizes that CCWD has not undertaken any new obligation, commitment, or responsibility pursuant to this Agreement to provide water service to any other location in the vicinity of the Park or along the route of the new water pipeline.

e. County staff will take a lead role in and conduct public outreach and community relations regarding the Project. In coordination with CCWD and CR-LLC, County staff will prepare and provide an outline of points to discuss with Park residents and other interested entities or persons. County staff will also (1) contact Save Mt. Diablo and East Bay Regional Park District and advise them of the Project; (2) meet with CCWD to discuss notifications to residents along Marsh Creek Road; and (3) in coordination with CR-LLC, meet with Park residents to advise them of the water service to be provided and the potential cost implications for residents.

f. County's Conservation and Development Department will notify CCWD of any entitlement application proposing to change the use of the property to which the County Land Use Permit applies to any use other than a mobile home park prior to taking action on the proposal. Final approval by the County Planning Agency of any such application will constitute grounds for termination pursuant to Section 11 of this Agreement.

g. During design of the Project, County's Public Works Department will specify traffic control and paving restoration requirements applicable to construction of the Project within the Marsh Creek Road right-of-way. All work on the Project within the Marsh Creek Road right-of-way must be in accordance with all applicable provisions of Division 1002 of the County Ordinance Code and all terms and conditions of an encroachment permit. In the event of a conflict, the County Ordinance Code will control. County will not add to or revise any of the traffic control or paving restoration requirements after design completion, and these requirements will be reflected in the encroachment permit issued to the contractor.

h. Any and all applications for permits for the Project that are submitted to County will be processed expeditiously by the County department responsible for issuing the permit. The permit applicant will provide a copy of each such application to the County Administrator's Office simultaneously with submission of the application to the appropriate County department.

7. CCWD RESPONSIBILITIES

a. CCWD's sole obligation under this Agreement will be to provide potable water to the Park. Pursuant to this obligation, CCWD will provide domestic potable water to the Park, meeting applicable federal and state drinking water standards at the agreed upon pressure (minimum 20 psi) and flow (100 gallons per minute). CCWD's responsibility for conformance

with federal and state drinking water standards during the interim and long-term water service ends at the point of water delivery, which for the purpose of interim water service is the point at which water is drawn from CCWD's existing distribution piping, and for long-term water service is the CCWD water meter which will be located at approximately the Park boundary at a location to be determined by CCWD through the design process.

b. CCWD will develop the Design and Construction Agreement with input from CR-LLC. CCWD will include a description of the point of CCWD water delivery in the Design and Construction Agreement.

c. CCWD will design and construct the Project in conformance with CCWD standards and all applicable codes and regulations.

d. CCWD will operate and maintain, repair and/or replace the Water Service Facilities, as necessary, in accordance with all applicable codes, regulations and water industry standards.

e. CCWD will coordinate with USBR and County regarding requirements for compliance with NEPA and regarding the actions needed to include the Park in the service area for delivery of CVP water under CCWD's Contract. USBR is the lead agency under NEPA. Construction of the Long-Term Water Service Facilities will not commence until USBR has approved the Park for inclusion in the CCWD CVP service area.

f. Upon request from the County, and in order to accommodate such request, CCWD will prepare and submit all documentation required by LAFCO for its approval of this Agreement pursuant to Government Code section 56133. The application to LAFCO for approval of this Agreement will indicate that CCWD is seeking to provide water service to CR-LLC in response to CCHS' request to assist in addressing its concerns with water service at the Park that are expressed in Exhibit I. County and CR-LLC will assist CCWD, as needed, in the preparation of the application and supporting materials. The application seeking LAFCO approval of this Agreement will not be filed until after the Effective Date and until after the County has completed the CEQA documents for the Project, approved the Land Use Permit Amendment, and filed a Notice of Determination ("NOD") for the Land Use Permit Amendment. CCWD will file the application with LAFCO within a reasonable time period after the County has filed the NOD.

8. GOOD FAITH PERFORMANCE

The Parties agree to diligently proceed in good faith to perform their respective obligations under this Agreement in a timely manner in an effort to avoid any unreasonable or unwarranted delays to the Project.

9. EFFECTIVE DATE

This Agreement will be effective as of the earliest date that it has been executed by the duly authorized representatives of all of the Parties ("Effective Date").

10. CEQA COMPLIANCE

The Parties acknowledge and agree that, with the exception of the County's obligations under CEQA set forth in Paragraph 6.a, the obligations of the Parties under this Agreement are conditioned on County completing proceedings under CEQA in connection with the Project and with LAFCO's approval of this Agreement and the expiration of the applicable 30-day limitations period for any challenge to the adequacy of the County's compliance with CEQA. The Parties acknowledge that any modifications to the Project resulting from County's compliance with CEQA may necessitate amendments to this Agreement in a mutually acceptable manner. None of the Parties will be bound hereby unless and until County's compliance with CEQA is completed. In the event of a legal challenge to the adequacy of County's compliance with CEQA, the Parties will respect any and all lawful orders of the court.

11. TERM OF AGREEMENT; TERMINATION

a. This Agreement will remain in effect until rescinded or terminated. This Agreement may be terminated by mutual written agreement of the Parties. Should any Party seek to terminate this Agreement for any reason absent agreement by any other Party, the dispute resolution procedures set forth in Section 17 of this Agreement will apply. The Parties shall work together to terminate this Agreement in the event that (1) water service is terminated in accordance with Section 11.b; (2) the Project is terminated in accordance with Section 11.c; or (3) the County Planning Agency issues its final approval of an application for a change in use of the property to which the County Land Use Permit applies to any use other than a mobile home park. Following termination of the Agreement, for whatever reason, the Parties will execute and record a Notice of Termination.

b. If CCWD determines that CR-LLC has committed any violation of the Regulations, CCWD will first give 30-days written notice to CR-LLC, specifying the nature of the violation and demanding that the violation be cured if it can be cured. A copy of the notice will also be served on County and the Public Health Director. If CR-LLC fails to cure a curable violation within the 30-days period or if the violation is not curable, CCWD may terminate water service to the Park by written notice and based on the determination by CCWD of such a violation. Upon termination of service by CCWD, CR-LLC will be required to identify an alternate and adequate source of water service, and demonstrate that the alternate source is actually available for use at the Park, to remain in compliance with the County Land Use Permit. CCWD will continue to provide water for up to 12 months past the date of the notice of termination or until another source of water is provided, whichever is earlier. Upon termination of interim water service, CR-LLC will immediately return the portable meter furnished by CCWD to CCWD. Upon termination of long-term water service, CCWD will disconnect the Pipeline at CCWD's service area boundary and remove the water meter.

c. CR-LLC reserves the right to unilaterally terminate the Project at any time in its sole discretion by providing written notice of termination to the County and CCWD. If such termination occurs because of or is related to CR-LLC filing for bankruptcy, CR-LLC shall furnish CCWD adequate assurance of payment in accordance with Section 366 (b) of the Bankruptcy Code (11 U.S.C. 366(b)). If notice of termination is provided following initiation of water service by CCWD, CCWD will continue to provide water until the earlier of 12 months

past the date of the notice of termination, or the provision of another source of water meeting the standards of the Public Health Director. Upon termination of service by CCWD, CR-LLC will be required to identify an alternate and adequate source of water service, and demonstrate that the alternate source is actually available for use at the Park, to remain in compliance with the County Land Use Permit. In the event that CR-LLC exercises such unilateral termination right, it will be responsible for all out-of-pocket costs reasonably incurred by CCWD attributable to the Project, up through the termination of the Project, and any costs for work necessary to safely terminate the Project and allow the orderly cessation of water service to the Park.

d. The obligations contained in Section 12 will survive termination of this Agreement.

12. INDEMNIFICATION AND INSURANCE

a. CR-LLC shall defend, indemnify, save and hold harmless CCWD and its directors, officers, agents and employees from and against any and all claims, costs, loss, liability or suits, including reasonable attorneys fees and including but not limited to allegations of death, bodily injury or property damage, arising out of or related to the operation, maintenance or replacement of the water distribution system by CR-LLC, including the storage tanks, on the Park's side of the water meter that will be located at or approximate to the Park boundary, except and to the degree that any such claims, losses or liability are the result of the negligence or willful misconduct of CCWD, its directors, officers, agents or employees, or its contractors. Furthermore, CR-LLC expressly agrees to indemnify, defend, and hold CCWD free and harmless from any claims, suits or liabilities of any nature related to fire protection, fire protection facilities or equipment, fire flows or any related matters alleged to have arisen from or in any way to be related to the operation, maintenance or replacement of the water distribution system by CR-LLC, including the storage tanks, on the Park's side of the water meter that will be located at or approximate to the Park, except and to the degree that any such claims, losses or liability are the result of the negligence or willful misconduct of CCWD, its directors, officers, agents or employees, or its contractors.

b. CR-LLC shall defend, indemnify, save and hold harmless County and its governing board, officers, agents and employees from any and all claims, costs, loss, liability or suits, including reasonable attorney's fees and including but not limited to allegations of death, bodily injury or property damage, arising from or related to the operation, maintenance or replacement of the water distribution system, including the storage tanks, on the Park's side of the water meter that will be located at or approximate to the Park boundary, except to the extent that such claims, costs, losses or liability arise from the negligence or willful misconduct of County or its governing board, officers, agents, or employees in the performance of this Agreement. CR-LLC shall also defend, with counsel to be selected by CR-LLC, indemnify, save and hold harmless County and the Contra Costa County Board of Supervisors from any claim, action or proceeding to attack, set aside, void or annul the County Planning Agency's approval(s) concerning the Land Use Permit Amendment and/or the CEQA documents pertaining to the Project or Land Use Permit Amendment. County will promptly notify CR-LLC of any claim, action or proceeding to attack, set aside, void or annul any of the above approvals and cooperate fully in the defense.

c. CR-LLC shall keep in full force and effect the following insurance or self-insurance in connection with the Park's operations throughout the term of this Agreement:

- Commercial General Liability insurance with a minimum combined single limit coverage of \$5,000,000 per occurrence and \$5,000,000 annual aggregate for all damages, including consequential damages, due to bodily injury, sickness or disease, or death to any person or damage to or destruction of property, including the loss of use thereof, arising from each occurrence;
- Automobile Liability insurance with a minimum combined single limit coverage of \$5,000,000 per occurrence for bodily injury, death or property damage or destruction, arising from each occurrence;
- Employer's Liability insurance, with minimum coverage of \$1,000,000 per employee and a waiver of subrogation;
- Workers' Compensation insurance at statutory limits.

The above policies will be endorsed to include CCWD and County and their respective governing boards, directors, officers, agents and employees as additional insureds. Said policies will constitute primary insurance as to CCWD, County and their respective governing boards, directors, officers, agents and employees, so that other insurance policies held by CCWD, County or their respective self-insurance program(s) will not be required to contribute to any loss covered under CR-LLC's insurance policy or policies unless otherwise noted in this Agreement.

Upon execution of this Agreement, CR-LLC shall provide CCWD and County with certificates of insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements. If CR-LLC should renew the insurance policy(ies) or acquire either a new insurance policy(ies) or amend the coverage afforded through an endorsement to the policy at any time during the term of this Agreement, CR-LLC shall provide (a) current certificate(s) of insurance and copies of the amended endorsements.

The insurance policies provided by CR-LLC will include a provision requiring the insurer to provide thirty (30) days' written notice to CCWD and County before cancellation or material change of the above specified coverage. Such notice will be provided as set forth in Section 18 of this Agreement. Notice to CCWD shall also be sent to:

Risk Management Officer
Contra Costa Water District
P.O. Box H2O
Concord, CA 94520

The insurance limits and coverage required above do not in any way limit the liability of CR-LLC. Acceptance of any insurance policies by CCWD or County, or cancellation, lapse or material change in coverage under any of the policies, does not relieve CR-LLC from liability, and CR-LLC shall be responsible for payment of all amounts it is obligated to pay thereunder, which have not been paid by the insurers pursuant to such insurance policies.

d. The Parties agree that any contracts let by CCWD for the design and construction of the Project will include the requirement that the contractor (1) obtain and maintain insurance throughout the duration of the Project in a form and with limits acceptable to CCWD, County and CR-LLC and naming CCWD, County and CR-LLC and their respective governing boards, directors, officers, agents and employees as additional insureds; and (2) defend, indemnify, save and hold harmless CCWD, County and CR-LLC and their respective governing boards, directors, officers, agents and employees from and against any and all claims, costs, losses, liability or suits, including reasonable attorneys fees and including but not limited to allegations of death, bodily injury or property damage, arising out of or related to the design or construction of the Project.

13. SUCCESSORS AND ASSIGNS

This Agreement is binding on and shall inure to the benefit of the Parties and their respective heirs, successors, permitted assigns and representatives. Prior written consent of CCWD and County is required before CR-LLC may assign any of its obligations under this Agreement, which consent shall not be unreasonably withheld. Any assignment by CR-LLC of its obligations under this Agreement will be in writing and will be recorded in the office of the Contra Costa County Clerk-Recorder, with copies provided by CR-LLC to CCWD and County.

14. NO THIRD PARTY BENEFICIARIES

Notwithstanding mutual recognition that this Agreement may provide some aid or assistance to members of County's population, it is not the intention of the Parties that such individuals occupy the position of intended third-party beneficiaries of the obligations assumed by either Party.

15. ENTIRE AGREEMENT

This Agreement contains the entire Agreement among the Parties. No promise, representation, warranty, or covenant not included in the Agreement has been or is relied upon by any party hereto.

16. AMENDMENT

This Agreement may be amended, modified, or changed by the Parties only if such amendment, modification or change is in writing and approved by the all Parties.

17. DISPUTE RESOLUTION

a. In General

This Section 17 establishes the exclusive process by which disputes among the Parties concerning or relating to this Agreement will be resolved. The dispute resolution process established herein will apply to disputes related to the interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement.

b. Informal Conferral

If a dispute arises as described above in Section 17.a, the parties to the dispute (the "Disputing Parties") will first attempt to resolve it through informal discussions. Disputing Parties will advise the other Parties of the existence of a dispute and coordinate the date, time and location of informal conferral.

c. Mediation

In the event a dispute cannot be resolved through informal conferral within twenty-one (21) calendar days, the aggrieved Disputing Party, acting through its governing body, or, in the case of CR-LLC, through its authorized representative, shall give written notice to all other Parties to this Agreement, setting forth the nature of and basis for the dispute and facts demonstrating that such Disputing Party is materially and adversely affected thereby. The Disputing Parties, acting through their designated representatives, including counsel, will endeavor to settle the dispute by mediation. The Disputing Parties will select a neutral third party with appropriate expertise to mediate the dispute. The other Parties may, but are not required to, participate in the mediation.

d. Judicial Review

The dispute resolution process described above shall be undertaken in good faith and exhausted prior to resort to judicial review; provided, however, that by agreeing to this dispute resolution process, no Party hereby loses or waives its right to sue under any applicable statute of limitations or loses or waives its right to assert the operation of any applicable statute of limitations as an affirmative defense. In the event that an applicable statute of limitations would run during the pendency of the dispute resolution process described above, the Disputing Parties shall agree in writing to toll such statute of limitations for such period as may reasonably be necessary to complete the dispute resolution process, but in no event will such statute of limitations be tolled for more than ninety (90) calendar days.

e. Conduct of Judicial Review

Should any Party ultimately seek judicial review of a dispute concerning or relating to the implementation, interpretation or enforcement of, or compliance with, the terms and provisions of this Agreement, all Parties will submit to the jurisdiction of a court of competent jurisdiction; provided, however, that the Parties will cooperate in seeking the appointment of a neutral Judge as defined in California Code of Civil Procedure section 394 to sit in Contra Costa County Superior Court, to preside over any such dispute.

f. Equitable Relief

Because the amount of damages in the event of a breach of this Agreement may be difficult or impossible to determine, the obligations of the Parties to this Agreement will be enforceable by specific performance or other equitable relief, in addition to any other available

remedy.

18. NOTICES

Any and all notices required by this Agreement will be in writing, addressed as provided below or to such other addresses as the Parties may respectively designate by written notice to the other. Notice will be sufficient if given by U.S. first class mail and facsimile or by overnight courier. When mailed by U.S. first class mail with postage pre-paid, notice will be deemed delivered three business days after deposit in the U.S. mail. When delivered by overnight delivery by a nationally recognized overnight courier, notice will be deemed delivered one business day after deposit with that courier.

CONTRA COSTA WATER DISTRICT
Attention: General Manager
1331 Concord Avenue
Concord, CA 94520
Facsimile: (925) 688-8197

CLAYTON REGENCY, LLC
Attention: GE RE Program Manager
500 West Monroe
Chicago, IL 60661
Deal # 69744000
Facsimile: (312) 876-2583

CONTRA COSTA COUNTY
Attention: Deputy County Administrator
651 Pine Street, 10th Floor
Martinez, CA 94553
Facsimile: (925) 335-1098

19. CONSTRUCTION; INTERPRETATION

This Agreement is the product of negotiation and preparation of the Parties. Any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applied to the interpretation of this Agreement. This Agreement will be interpreted in accordance with the laws of the State of California.

20. SEVERABILITY

If for any reason any provision of this Agreement shall be determined to be invalid or inoperative, the validity and effect of the other provisions hereof shall not be affected thereby.

21. COUNTERPARTS

This Agreement may be executed in counterparts and so executed will constitute an Agreement which will be binding upon all Parties hereto. A photocopy of the fully executed Agreement will have the same force and effect as the original.

22. VOLUNTARY EXECUTION

The Parties have freely and voluntarily executed this Agreement and are not acting under coercion, fraud, duress, menace, economic compulsion or undue influence, or because of any supposed disparity of bargaining power; rather, the Parties are freely and voluntarily signing this Agreement for their own benefit.

23. SIGNATURES

By affixing his/her signature below, each of the persons signing this Agreement warrants and represents that he/she has read and understands this Agreement, that he/she is authorized to sign this Agreement, and that the Party on behalf of whom he/she signs agrees to be bound by its terms.

CONTRA COSTA WATER DISTRICT

By Arthur J. Bishop
General Manager

Attest: Sharon L. Bunker
Secretary

Approved as to Form:
Robert B. Maddow
District Counsel

CLAYTON REGENCY, LLC

By Paul R. Henning
Print Name Paul R Henning
Title Vice President

By John W. O'Meara
Print Name John W. O'Meara
Title Vice President

CONTRA COSTA COUNTY

By: Susan A. Bond
Chair, Board of Supervisors

Attest: David Twa, Clerk of the Board of Supervisors and County Administrator

By: Katherine Sullivan
Deputy

Recommended:

By: Carl Kutz
Conservation and Development Dept.

Approved as to Form:
Silvano B. Marchesi, County Counsel

By: [Signature]
Deputy

[Note: Limited liability companies must sign in the manner required of corporations, or by two managers, or by one manager, pursuant to the articles of organization (see Corp. Code, §§ 17151, 17154, 17157.)

EAST CONTRA COSTA FIRE PROTECTION DISTRICT

BILL WEISGERBER
Interim Fire Chief



SERVING THE COMMUNITIES OF:
Bethel Island Discovery Bay
Brentwood Knightsen
Byron Morgan Territory
Oakley

June 1, 2007

Stephen Welch
Director of Engineering
Contra Costa Water District
2411 Bisso Lane
Concord, CA 94524-2099

COPY

Dear Mr. Welch:

I am writing to confirm the East Contra Costa Fire District's (ECCFD) understanding that Contra Costa County and the Clayton Regency Mobile Home Park (the Park) have requested the Contra Costa Water District (CCWD) install a limited service water pipeline extension to the Park to address a serious public health threat to the Park residents with the existing trucked water service. The Park is located at 16711 Marsh Creek Road in Brentwood. ECCFD understands that the proposed water service requested by the County would be solely for the purpose of providing a safe, long term drinking water supply to Park residents, and is not for providing fire flow.

Contra Costa Water District has no obligation to provide water for fire protection purposes at the Park. CCWD has no responsibility to provide fire flows at the Park because State regulations require the Park to be solely responsible for the fire protection system and providing required fire flows at the Park. (H&S Code, § 18691)

This office has received documentation from the Park that the Park will maintain its water storage tanks such that the minimum required for fire flow of 30,000 gallons at all times. Based on the inspection ECCFD performed at the Park in June of 2006, the Park's current fire protection system, including existing storage tanks, fire pumps and piping, will provide adequate fire protection consistent with current fire protection standards for mobile home parks. Any new fire protection standards that impose new fire flow requirements on at the Park will be the responsibility of the Park to meet.

No further consultation will be necessary with this office regarding the proposed water pipeline to the Park.

If you should have any additional questions or comments, please contact me at (925) 941-3520.

Sincerely,



Richard Carpenter
Acting Fire Marshal

cc: Bill Weisgerber, Interim Fire Chief East Contra Costa Fire District
Jason Crapo, Contra Costa County
Stephen Tarantino, EKI, Inc.
File



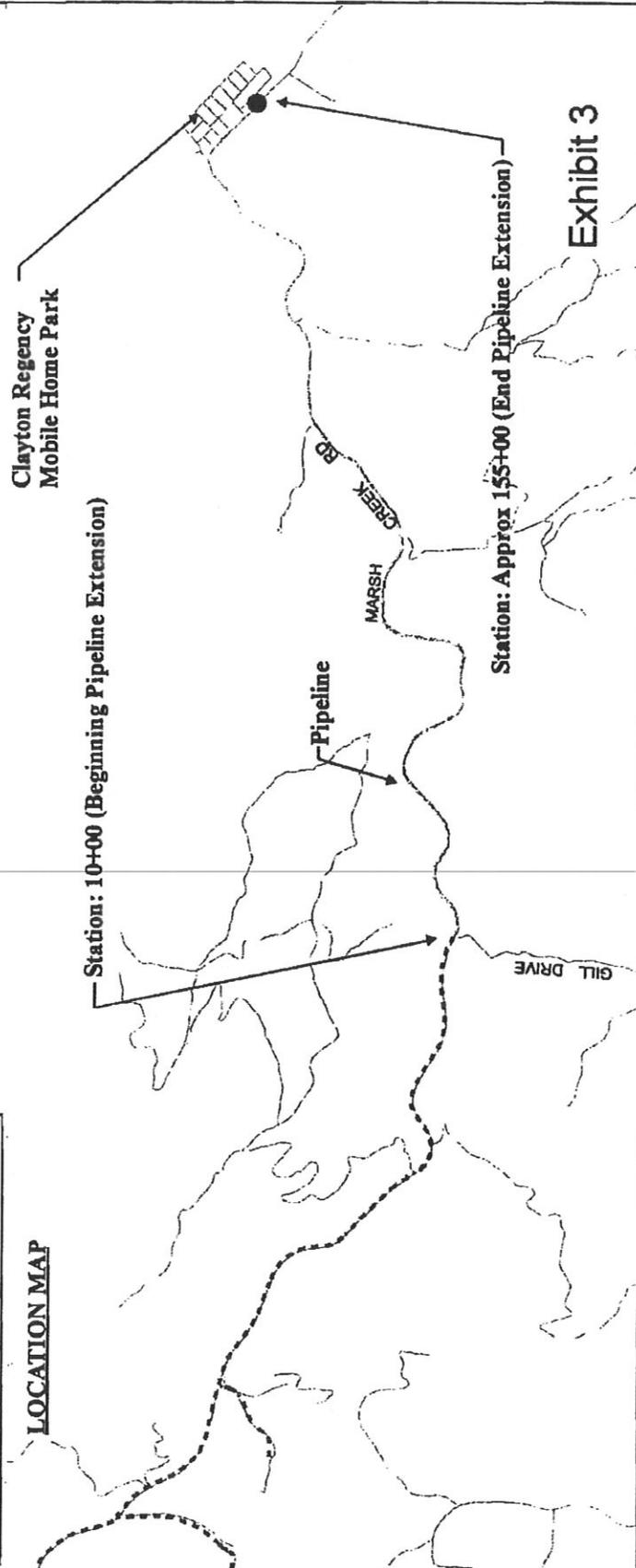
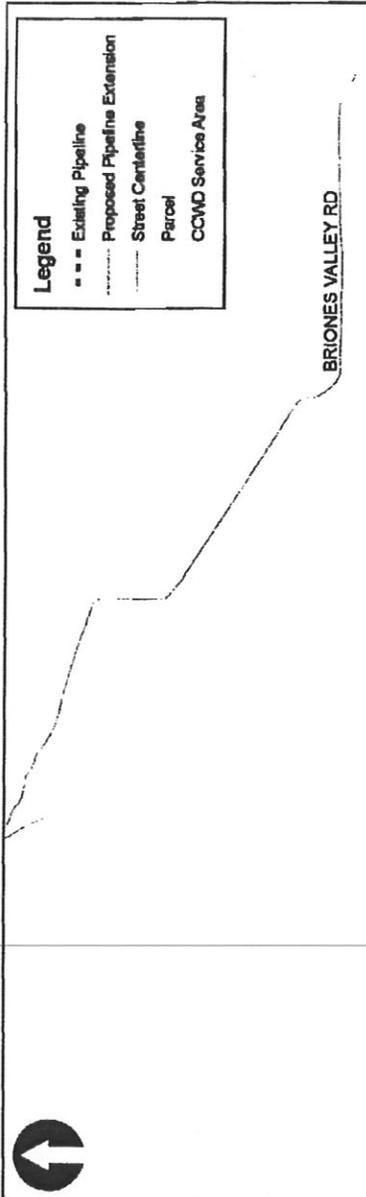
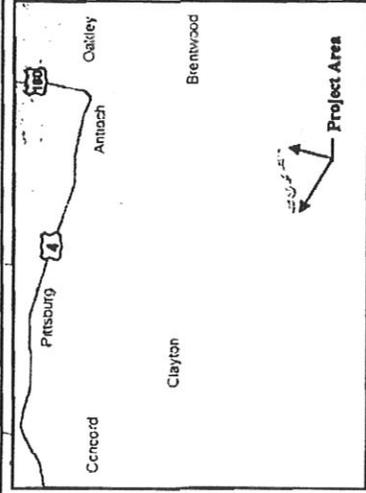
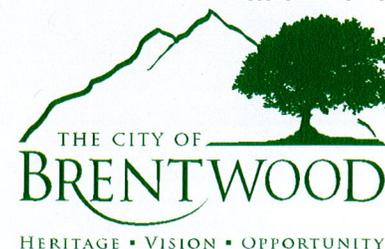


Exhibit 3

**OFFICE OF THE MAYOR**

MAILING ADDRESS:
 City Hall
 708 Third Street
 Brentwood, CA 94513
 Phone: 925-516-5400
 Fax: 925-516-5401
 www.ci.brentwood.ca.us

CITY ADMINISTRATION
 708 Third Street
 Phone: 925-516-5440
 Fax: 925-516-5441

COMMUNITY DEVELOPMENT
 104 Oak Street
 Phone: 925-516-5405
 Fax: 925-516-5407

FINANCE & INFORMATION SYSTEMS
 708 Third Street
 Phone: 925-516-5460
 Fax: 925-516-5401

PARKS AND RECREATION
 730 Third Street
 Phone: 925-516-5444
 Fax: 925-516-5445

POLICE
 9100 Brentwood Boulevard
 Phone: 925-634-6911
 24 Hr. Dispatch: 925-778-2441
 Fax: 925-809-7799

PUBLIC WORKS

Operations Division
 2201 Elkins Way
 Phone: 925-516-6000
 Fax: 925-516-6001

Engineering Division
 120 Oak Street
 Phone: 925-516-5420
 Fax: 925-516-5421

July 28, 2009

Contra Costa County Board of Supervisors
 651 Pine Street
 Martinez, CA 94553-1229

Contra Costa Water District Board of Directors
 1331 Concord Avenue
 Concord, CA 94520-4907

Re: Agreement for Water Service to Clayton Regency Mobile Home Park

Dear Supervisors and Directors:

In 2001, the City of Brentwood began providing water to the approximate 150 families residing at the Clayton Regency Mobile Home Park on a temporary, emergency basis. Though the Park is located within unincorporated Contra Costa County, the City provided water at the request of the Park owners. This was a result of the Regional Water Quality Control Board directive for the Park to cease on-site well and water treatment without a means to dispose of treatment system wastewater. City assistance was provided as other viable options were not available.

The Contra Costa County Director of Public Health has declared the Park "a *public health emergency*" due to the potential for contamination while the Park is trucking their water supply. The County Health Department has further requested Contra Costa Water District construct a waterline to serve the park's potable water needs and views "*water service from CCWD as the only viable option that would resolve this public health hazard*".

In light of the determined public health emergency, the City of Brentwood does not feel that it is appropriate to continue providing this service. We will therefore be providing notice to the Park owners that the City will no longer serve as the temporary water source.

We urge the County, Contra Costa Water District and Clayton Regency Park owners to finalize and approve the Agreement for Water Service to provide a long term potable water solution to the Clayton Regency Mobile Home Park.

Sincerely,



Robert Taylor
Mayor

Cc: John O'Meara, Clayton Regency, LLC
Brentwood City Council Members
Donna Landeros, Brentwood City Manager
Balwinder S. Grewal, Brentwood Director of Public Works
David Twa, CCCo Administrator
Walter Bishop, GM Contra Costa Water District

WILLIAM B. WALKER, M.D.
HEALTH SERVICES DIRECTOR

WENDEL BRUNNER, M.D.
DIRECTOR OF PUBLIC HEALTH



Monday, June 18, 2007

Walter J. Bishop
General Manager
Contra Costa Water District
2411 Bisso Lane
Concord, CA 94524-2099

Re: Water Supply – Clayton Regency Mobile Home Park

Dear Mr. Bishop:

I would like to request your assistance in resolving a severe public health hazard that constitutes a public health emergency at the Clayton Regency Mobil Home Park on Marsh Creek Road ("Park"). The Park, a concentration of approximately 190 closely packed mobile home residential coaches, currently has no regular water supply. The Park's water is presently trucked in daily from a metered hydrant in Brentwood. The potential for contaminating potable water with pathogenic bacteria or viruses during the filling, transport, and delivery presents an unacceptable risk of waterborne diseases to the residences of the Park. The residential density of the park compounds that risk of waterborne, and then possibly communicable, diseases. Contamination of a single water truck has the potential to impact a large number of individuals.

Steps must be taken immediately to create an acceptable long-term water source for the park. The absence of an appropriate water supply for the Park over the long term represents a serious threat to the health and safety of park residents. An acceptable, safe water supply must be implemented as soon as possible.

Over the past few years, the Park has evaluated different methods of obtaining potable water and determined that the only option to ensure a safe, long-term water supply that would comply with the current state and local requirements is an out of service area contract with the Contra Costa Water District (CCWD) to extend a pipeline along Marsh Creek Road. Contra Costa Health Services (CCHS) requests construction of a CCWD pipeline extension to the Park, limited in size to the minimum required to supply potable water only (no fire flow). We have confirmed that the Contra Costa County Consolidated Fire District is requiring the Park to provide all fire flow to meet fire requirements. We understand that the Park is outside CCWD's service area but have, through discussions with LAFCO, determined service could be provided under an out-of-area service agreement meeting any special conditions required to serve the Park. Further, CCHS views water service from CCWD as the only available option that would resolve this public health hazard.



We are aware that there are other, individual dwellings scattered along the Marsh Creek Road area with a variety of individual water sources. There is concern that they could request service from this non-standard out of service area pipeline. However, the criteria used to determine the public health threat at the Park does not apply to them. At the park, a single water contamination event could immediately impact hundreds of people.

Please advise how you intend to proceed based on this request. Your assistance in resolving this public health hazard would be greatly appreciated. You may contact me at (925) 313-6712, for further discussion.

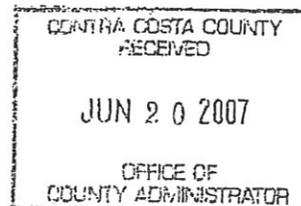
Sincerely,



Wendel Brunner, MD
Director of Public Health
Contra Costa Health Services

cc: Sherman L. Quinlan, REHS, MPH, Director of Environmental Health
Dr. William Walker, Director, Health Services Department
John Cullen, Contra Costa County Administrator
Federal Glover, Supervisor, District 5
John O'Meara, Clayton Regency LLC
S. Tarantino & A. Bretl, Eler & Kalinowski, Inc.
C. Kutsuris, Contra Costa Community Development Department
Lou Ann Texeira, Contra Costa County LAFCO

WB:jds



RESOLUTION NO. 11-10**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE CONTRA COSTA WATER DISTRICT TO PROVIDE OUT-OF-AGENCY
WATER SERVICE TO THE CLAYTON REGENCY MOBILE HOME PARK
LOCATED AT 16711 MARSH CREEK ROAD**

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

WHEREAS, at the time and in the manner required by law the Executive Officer has given notice of the Commission's consideration of this request, and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation, and

WHEREAS, out of agency service approval is needed in order to provide water services to the property in response to an existing public health emergency, and

WHEREAS, the CCWD, Contra Costa County and Clayton Regency LLC have entered into an agreement which provides for out of agency water service solely to the Clayton Regency Mobile Home Park.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. Finds that, as a Responsible Agency under CEQA, the Commission has reviewed the County's 2011 Initial Study/Mitigated Negative Declaration for the *Clayton Regency Mobile Home Park (CRMHP) Emergency Water Pipeline Extension Project* and adopts the findings included therein that approval of the out of agency service request would have no significant effects on the environment.
- B. Authorizes CCWD to extend water service outside its jurisdictional boundaries and outside its SOI to the CRMHP 28 acre property located at 16711 Marsh Creek Road in unincorporated Central Contra Costa County subject to the following terms and conditions:
 1. Water infrastructure is limited to and designed to serve only the 192 units/spaces located within the CRMHP, and is limited to a 4-inch diameter water line, as determined by CCWD.
 2. Interim water service will commence following construction of interim facilities once LAFCO approves the Out of Agency Agreement assuming all other terms of the 3-party Agreement are satisfied. Interim water service is intended to be in place for no longer than 18 months. An extension of this time frame requires an amendment to the 3-party Agreement by all three parties but will not be unreasonably withheld consistent with the applicable terms of the 3-party Agreement.
 3. Long term water service to the property may commence once the new water line is constructed. Construction of the new water line will commence once the Department of the Interior, U.S. Bureau of Reclamation approves the use of Central Valley Project water

under the Out of Area Service Agreement for long term service to the Mobile Home Park and all other applicable terms of the 3-party Agreement are satisfied.

4. CCWD has delivered to LAFCO an executed indemnification agreement providing for CCWD to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service.

C. Approval to extend CCWD services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED THIS 14th day of December 2011, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

MICHAEL R. MCGILL, 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: December 14, 2011

Lou Ann Texeira, Executive Officer