

Wednesday, April 11, 2012

## Lawmakers Question Health Districts' Spending

One district used taxpayer dollars to open fitness centers

By: Jennifer Gollan and Katharine Mieszkowski

Taxpayer-funded health care districts should reduce their administrative costs, spend more on public health programs and stop stockpiling money for dubious projects, critics told a state legislative oversight committee Wednesday.

Public health officials and taxpayer groups urged lawmakers to demand more accountability from the roughly 30 health care districts in California that no longer run hospitals, in a departure from their original mission.

“What government function is performed by health care districts that do not run hospitals in this day and age?” said Jean Fraser, San Mateo County's public health chief. “Most people don't even know the districts exist.”

Health care districts were created after World War II, when the state allowed communities to levy taxes to build hospitals in rural and low-income areas. Critics said those districts are part of a sprawling, anachronistic bureaucracy that has long outlived its purpose.

A recent [Bay Citizen investigation](#) revealed that some districts that no longer run hospitals have amassed surpluses of tens of millions of dollars and diverted precious resources to administrative and overhead costs, while health care needs in their communities go unmet. The report also raised questions about lax oversight.

After reading The Bay Citizen's report, Assemblyman Roger Dickinson (D-Sacramento), chairman of Assembly Committee on Accountability and Administrative Review, [scheduled Wednesday's hearing at the state capitol](#).

Officials from the Peninsula Health Care District in San Mateo, Beach Cities Health District in Redondo Beach and the Mt. Diablo Health Care District in Concord testified that their districts ran efficiently and were committed to transparency. These districts, which no longer operate hospitals, hold reserves ranging from \$246,863 in the Mt. Diablo district to \$43 million in the Peninsula district.

Assemblyman Curt Hagman (R-Chino Hills) questioned why districts had veered from their original mandate “to build hospital beds.”

Beach Cities, for example, runs two fitness centers and gives about 30 free gym memberships to local police officers, firefighters and lifeguards. But fewer than 2 percent of people in the district use the gyms. Dr. Lisa Santora, the district's chief medical officer, defended the centers as part of the district's commitment to preventative care.

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But Hagman noted that Beach Cities spent \$6.3 million of its \$10 million budget on salaries and professional fees in the 2010-11 fiscal year. Just \$1.4 million went to health grants, even though the district has a reserve of \$40 million.

Lawmakers repeatedly questioned why districts had not spent more on public health programs. For example, Mt. Diablo, which has not run a hospital since 1996, spent just 17 percent of its \$3.2 million in revenue on community grants between 2000 and 2011, public records show. In March, the district, which had been the subject of a series of searing grand jury reports, [was stripped of its powers by a regional watchdog commission](#). It will now be managed by the city of Concord.

At Wednesday's hearing, Mt. Diablo officials defended their spending practices and said they were committed to public health.

Lawmakers also raised questions about oversight of the districts. Local Agency Formation Commissions, or LAFCOs, can dissolve health care districts, but only five of the state's more than 70 districts have been dissolved or reorganized since 2000, according to the nonpartisan state Legislative Analyst's Office.

When asked whether there are any limits on how districts may spend taxpayer money, Michael Colantuono, an attorney for several LAFCOs, said the answer was essentially no. "As long as you can say it's about health and pass the red-faced test while doing it," he said.

Lawrence Cappel, board treasurer of the Peninsula Health Care District, which had stockpiled \$43 million by the end of fiscal year 2010-11, said his district was committed to "fiscal prudence." The district spent just \$1.8 million, or 3.3 percent of its total assets, on the community in the 2010-11 fiscal year.

The district plans to set aside \$250 million in taxpayer funds in case it has to buy Mills-Peninsula Medical Center. Sutter Health, which owns the hospital, is leasing the property through mid-2061. But the value of the hospital facilities will almost certainly decrease, from more than \$500 million today to \$50 million after 2050, according to estimates by a real estate consultant hired by the district in 2003.

"Nobody is too big to fail," Cappel said, referring to Sutter Health. "We certainly don't want to be in the position where we have to tell our constituents that we just didn't put aside enough money."

After the hearing, Dickinson told The Bay Citizen that he intends to push for legislation — possibly by the end of the month — that would restrict how health care districts spend their money.

"They are operating essentially as fiefdoms, making investments, acting as landlords and perpetuating themselves," Dickinson said.

Tuesday, April 3, 2012

## Lawmakers to Consider Health Care Districts' Future

Bay Citizen investigation prompts hearing on how districts spend taxpayer dollars

By: Jennifer Gollan and Katharine Mieszkowski

After [an investigation by The Bay Citizen](#) revealed that many of California's taxpayer-funded health care districts no longer run hospitals — a departure from their original mission — the state Assembly's top watchdog committee plans to take a closer look at how those districts are using their resources.

The Bay Citizen found that some districts have stockpiled tens of millions of public dollars and diverted precious resources to administrative and overhead costs, while health care needs in their communities go unmet.

The districts were created after World War II, when the state Legislature allowed communities to levy taxes for hospitals in rural or underserved areas. But about 30 of the 74 health care districts statewide no longer run hospitals, The Bay Citizen's investigation found.

The Assembly Committee on Accountability and Administrative Review will hold a hearing on the role of the districts next week. The 13-member committee is charged with finding inefficiencies in state government.

"Do these districts need to continue to exist?" Assemblyman Roger Dickinson (D-Sacramento), the committee's chairman, said in an interview.

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"Based on your article as the impetus and what else we've been able to develop through the committee staff, there is a very real question, 'Should these districts continue to exist and are they using their resources to promote public health and welfare?'" said Dickinson, who called for the hearing.

Among the people scheduled to speak at the hearing are top officials from the Peninsula Health Care District in San Mateo and the Beach Cities Health District in Redondo Beach. Health care advocates and a representative from the Association of California Healthcare Districts will also appear.

The committee has also invited lawmakers from the Assembly Committee on Health and the Committee on Local Government to join the hearing.

David McGhee, chief executive of the Association of California Healthcare Districts, has defended the districts, saying they provide crucial services.

On Tuesday, McGhee referred calls about the hearing to the association's legislative advocate, who did not immediately respond to a request for comment.

Meanwhile, Dickinson criticized the Peninsula Health Care District and other districts for "squirreling money away."

"To take that money and bank it doesn't appear to serve, in many cases, anyone's interests except the districts," Dickinson said.

The hearing is scheduled for April 11 at the state capitol. According to Dickinson, it could trigger new legislation that would tighten controls on how health care districts spend public funds.



Wednesday, March 14, 2012

## Concord to Take Over Mt. Diablo Health District

Move is intended to reduce waste

By: Katharine Mieszkowski and Jennifer Gollan

Despite years of waste and scathing grand jury reports calling for its dissolution, the taxpayer-supported Mount Diablo Health Care District has won a reprieve.

Instead of disbanding the district, which takes in about \$240,000 in tax revenue each year, local watchdog officials voted Wednesday to put the City of Concord in charge of its management.

Last week, [The Bay Citizen reported](#) that Mt. Diablo is one of about 30 health care districts — out of 74 statewide — that continue to collect taxes even though they no longer run hospitals. The districts were originally created to provide hospital care to rural and low-income areas.

Mary Piepho, a member of the Contra Costa Local Agency Formation Commission, told the crowd at a meeting Wednesday that dissolving the Mt. Diablo Health Care District was “fraught with risk,” while reorganizing it was a “cautious, but maybe more prudent approach.”

Until this year, state law required voter approval for the dissolution of special districts. But new legislation, which took effect in January, made it easier to disband most special districts without an election.

There is debate about whether voter approval is required to dissolve health care districts under the new law, said Kate McKenna, executive officer of the Monterey LAFCO, and a former deputy executive officer of the California Association of Local Agency Formation Commissions, which represents the state’s 58 commissions.

If the Contra Costa LAFCO had voted for dissolution, the Mt. Diablo Health Care District threatened to sue to put the issue on the ballot. Members of LAFCO indicated that they feared that such a suit could be costly and take years to resolve.

After urging the commission to dissolve the district, Concord officials agreed to submit an application outlining how the district's day-to-day operations would be overseen by the City Council. The takeover could be finalized by the end of the year, pending the commission’s approval.

The district has long been criticized for poor management and waste. Over the last decade, four grand jury reports have called for its dissolution. The small district, which includes Concord, Martinez, Pleasant Hill and parts of Lafayette, has not run a hospital since 1996, yet continues to take in about \$240,000 in property tax revenues a year.

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From 2000 through 2007, the district spent only a fraction of its budget on community health programs, financial reports show. Between 2000 and 2011, the district spent just 17 percent — \$527,686 — of its \$3.2 million in property tax and other revenue on community grants, public records show. The bulk of its budget goes to administrative and overhead expenses.

For example, in 2012, the district expects to spend about \$16,000, or about 7 percent of the tax revenue it receives, on health insurance for a current board member, a former board member and their spouses. It also owes as much as \$800,000 for lifetime retiree health benefits for a current and a former board member.

Critics of government spending seized on the district's inefficiencies at the meeting Wednesday.

"This group has squandered hundreds of thousands of dollars," said Kris Hunt, executive director of the Contra Costa Taxpayers Association. "Four grand juries came to the conclusion that this district should be dissolved. We agree."

District officials pleaded for patience.

"There is no public need or benefit for the dissolution of the Mt. Diablo Health Care District," said Jeff Kasper, chairman of the district's board, who urged the commission to grant the district another year to address its shortcomings.

"You've had the one year many times," responded Commissioner Dwight Meadows. "How many times do we give one more year?"

If the reorganization plan is approved, the Concord City Council would serve as the governing board of the district. After the meeting, Daymon Doss, the district's executive director, said it would continue to do its best to address residents' the health care needs.

"We are going to continue to do business," Doss said. "It may have a very different future, but it will have a future."

## Contra Costa growth commission chooses familiar face to fill vacancy

By Lisa Vorderbrueggen Contra Costa Times Contra Costa Times

Posted:

Thursday, April 12, 2012  
ContraCostaTimes.com

MARTINEZ -- A veteran Contra Costan who has spent time at the helm of three local cities, shepherded a contentious growth planning process and wrangled the county's 19 mayors has been chosen to sit on a powerful agency that oversees where the county grows.

Don Blubaugh, the former executive director of the Contra Costa Mayors Conference and the former city manager of Walnut Creek, Martinez and Orinda, was unanimously selected Wednesday afternoon to fill the open public member seat on the Contra Costa Local Agency Formation Commission. The term is four years.

Every California county has a local agency formation commission. Consisting of elected representatives of the board of supervisors, city councils, special districts and the public at large, the panels vote on annexations and incorporations and conduct regular reviews of public service levels in areas such as fire, water, parks and law enforcement.

The current alternate public member, Sharon Burke, of Alamo, was reappointed for another four-year term.

Blubaugh and Burke were among 15 people who competed for the seat, including five individuals who made the final cut and were interviewed on Wednesday.

The commissioners praised Burke as a conscientious, detail-minded alternate who always came to meetings prepared.

But they put Blubaugh in the voting seat, citing his three decades of experience in local government and his reputation as a levelheaded leader. Most of the commissioners have known Blubaugh for years.

Commissioner and Supervisor Mary Nejedly Piepho, of Discovery Bay, lobbied early in favor of retired San Ramon City Manager Herb Moniz, saying she wanted geographic equity. Blubaugh lives in Brentwood, and the commission already has two representatives from East Contra Costa County, she said.

Piepho cast an "aye" vote for Blubaugh, however, when it became clear no one else supported Moniz. He helped write the failed and deeply controversial San Ramon-sponsored ballot measure in 2010 that would have expanded the city's urban growth boundary into the Tassajara Valley.

Blubaugh, in contrast, told the commission that he views the urban limit line as an "appropriate way to deal with the tension" between the need for urban development and preservation of open space and agriculture. He helped the cities and the county several years ago write a countywide blueprint called Shaping Our Future, which found that the region could accommodate its expected growth inside the existing development boundary.

The commission also said goodbye on Wednesday to Martin McNair, the former Navy officer from Richmond who served as its public member from 1994-2000 and again from 2005 until this week.

He was appointed the second time after commissioners had deadlocked for 18 months in a philosophical tug-of-war over how tightly the panel should adhere to the voter-approved county growth boundary.

The commission presented McNair with an engraved compass, and he reminded them, tongue only partly in cheek, that the agency is "the most important commission in any county that no one has heard of."

## Hundreds of millions spent to protect Delta levees. Is it enough?

By Mike Taugher Contra Costa Times Contra Costa Times

Posted:

Thursday, April 19, 2012

ContraCostaTimes.com

Gilbert Cosio's truck rolled to a stop on a Delta levee recently fortified with \$4 million worth of rock and engineering.

On one side is a large lake formed when a different levee broke and flooded the area known as Franks Tract in the 1930s. On the other, grazing land and a much smaller lake formed when the fragile levee here failed and was quickly repaired in 1980.

Since then, hundreds of millions of dollars in voter-approved bond funds have been spent to reinforce levees that corral and shape today's Delta. For the first time, the state is on the verge of meeting a federal mandate to protect an area that is a key source of water for 23 million Californians and about 2 million acres of farmland.

But is it enough?

No expert considers California completely safe from the failure of century-old levees that protect a statewide water system, highways, a major railroad line and energy transmission routes, not to mention an aqueduct that serves the East Bay's largest water district.

Cosio, an engineer who has worked on Delta levees for decades, is among those who contend the threat is more or less manageable and that much of the pessimism is based on outdated information.

"We've been waiting around for levee money for 50 years," Cosio said. "We never had the luxury to build them as big as they needed to be. Now we do."

Others, however, shudder at the vulnerabilities that remain. They note that even though investments have helped bring levees up to a minimum standard established after the 1980 breach, it's a weak standard meant to address high water while the threat of earthquake damage is increasing. And it was always meant to be an interim step on the way to a more permanent level of safety.

"I think the Delta is the single most serious seismic vulnerability in the state," said Jonathan P. Stewart, an earthquake expert and engineering professor at UCLA.

Once a great marsh, the Delta today is a vast network of channels and sunken "islands" that begins where the Sacramento and San Joaquin rivers meet upstream of San Francisco Bay. The Delta and its 1,100 miles of levees -- many of which were first built in the years after the Gold Rush -- cover about 740,000 acres, nearly the size of Yosemite National Park or more than 1½ times the area of Contra Costa County. In addition to being a critical thoroughfare for migrating salmon and stopping point for birds on the Pacific Flyway, it is also perhaps California's most important water source.

Many of the engineering experts and scientists who have looked at the Delta's levees have come away alarmed about the possibility that a large earthquake could lead to multiple levee failures. Depending on which levees fail and when, such an event could have serious ripple effects throughout California that could be very difficult to recover from.

In one nightmare scenario, an earthquake during a dry season collapses several levees. The ensuing flooding draws saltwater into the area of huge pumps that serve water users across California. If that happened, little

could be done but to turn off the pumps and wait for enough runoff from mountain rivers to drive the saltwater out.

"Once it happens, we're in deep trouble," Stewart said.

That is why a levee failure on a parcel east of Discovery Bay known as Jones Tract on a clear summer day in 2004 sent shivers throughout the state's water management community.

But that was nothing compared to the catastrophe in New Orleans. Hurricane Katrina struck the Gulf Coast in 2005 and showed the world how devastating mass levee failures can be.

With that disaster still fresh in their minds, California voters the following year approved two multibillion dollar bonds known as Proposition 84 and Proposition 1E, each containing money to fix levees.

So far, about \$615 million from those bonds has been awarded to the state Department of Water Resources to fund Delta levee improvements, and about one-third of that work has been completed, said Mike Mirmazaheri, the department's program manager for Delta levees. There might be some money available for additional Delta work, but it is unclear exactly how much, Mirmazaheri said.

The work has gone slower than anticipated because of the state's budget problems, he added. But the most recent round of bids should result in nearly all of the levees in the Delta reaching the standard developed in 1983, known as the Hazard Mitigation Plan, Mirmazaheri said.

Some levee improvements have gone further. Among the recent projects is a significant enlargement of the levees around Jones Tract, the site of the 2004 flood, in an area that contains a railroad track and the East Bay Municipal Utility District's aqueduct.

Though mass levee collapse like what happened in New Orleans has never hit the Delta, many experts say it is likely to occur eventually, despite recent improvements.

"The levee agencies in the Delta have done a good job on a shoestring, really," said Jay Lund, an engineering professor at UC Davis who is also a member of a team organized by the Public Policy Institute of California that concluded the Delta's stability in the long term is doubtful. "I think they've done a valuable job for 150 years, but time and tide is going to work against them in the long haul."

Lund and others contend the Delta's levees and their foundations are too unreliable to securely convey water across California and should be replaced with an engineered aqueduct. Despite sharp disagreements on the reliability of the levees, experts do seem to agree that the bond funding has significantly improved the structures, although more needs to be done.

Stewart was recently in western Japan, near Niigata, to inspect earthquake damage to levees there.

What was striking, he said, was that levees located where the water table was high were much more likely to fail than those in areas where the groundwater is deeper.

In the Delta, the water table is always high. Not only that, the Delta's waters are constantly in contact with the levees -- making them more like earthen dams than levees that sit dry on a floodplain until there is a flood.

In other words, they would appear to be even more vulnerable than the Japanese levees Stewart saw.

"The evidence from around the world, where conditions are not as bad, is not encouraging," he said.

Last year, Stewart and his team conducted an earthquake simulation in the western Delta. Their equipment rocked a model levee with increasing intensity but failed to damage it as the peat foundation rolled like the skin of a waterbed.

Although the results of that initial test appeared reassuring, many Delta levees have sandy foundations, which are subject to liquefaction, instead of peat. Those levees might not fare so well, Stewart and other engineers say.

Still, Cosio expressed confidence the risk can be managed. The most vulnerable levees have been upgraded, and so the remaining structures are both less risky and in need of less work -- meaning they would be cheaper to fix, he said.

"We know what to do to reduce the flood risk, and we just got the money to do it," said Cosio.

"The earthquake risk is less clear," he acknowledged.

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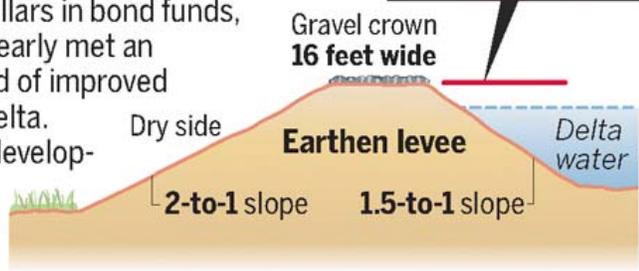
# How levees created Delta islands

The Delta islands were formed beginning in the 1800s by building earthen dikes around portions of marsh and pumping out the water. As soil eroded and subsided, many islands fell below the level of the water and are now subject to flooding if a levee fails.



## Improved standards are nearly met

Thanks to the investment of hundreds of millions of dollars in bond funds, California has nearly met an interim standard of improved levees for the Delta. This standard, developed in the 1980s, was intended to be met in 1991.

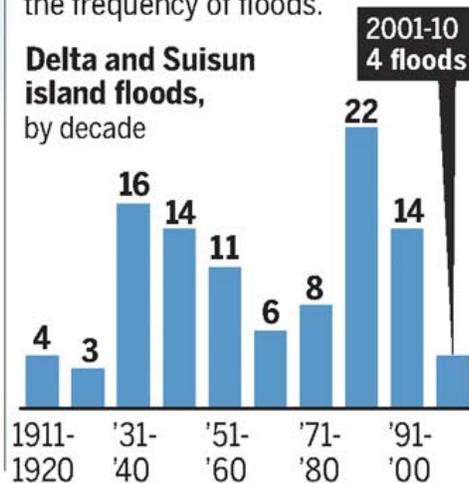


Sources: Bay Area News Group staff research; California Department of Water Resources.

# Fewer Delta floods

Investment in Delta levees since the early 1980s, and especially since 2006, may be reducing the frequency of floods.

Delta and Suisun island floods, by decade



BAY AREA NEWS GROUP

## **Mt. Diablo Health Care District presses on with grants**

*By Lisa Vorderbrueggen Contra Costa Times San Jose Mercury News*

*Posted:*

Friday, April 20, 2012

ContraCostaTimes.com

CONCORD -- The Mt. Diablo Health Care District narrowed its grant finalists' pool on Thursday in what will likely be one of its final acts before local regulators disband the elected board and turn over the district's duties and money to the city of Concord.

After compiling evaluation scores, a grant advisory panel of board members and residents invited 11 organizations to submit full grant applications.

Top finishers included RotaCare, Food Bank of Contra Costa and Solano, Cambridge Community Center of Concord, American Cancer Society, Concord Senior Club and Contra Costa Kops for Kids. Combined, the finalists are seeking \$415,000.

After years of granting little money or handing it out sporadically when a group showed up and made a pitch, the district is conducting a competitive grant process.

Critics have questioned why the district is awarding the grants in light of its pending reorganization, but the board is pressing on with plans to award the money in late May.

The district estimates it will hand out \$169,000, though the number could rise if other budget demands ease.

The district won't need an election budget if the hand-over to Concord proceeds as scheduled, before the November election.

The district is also awaiting the results of an updated study on the long-term cost of free lifetime health and dental insurance for current board member Grace Ellis, former member Ron Leone and their eligible dependents.

An earlier analysis put the district's liability at \$700,000, but Ellis subsequently converted to less costly Medicare and Leone switched to a plan in Concord, where he is an elected councilman.

The district's competitive grant cycle attracted 19 applicants who requested a total of \$827,550.

Among the proposals were free medical care for the poor, transportation for seniors, aid for at-risk youth, mental health services and an anti-smoking initiative.

Other groups that made the cut are La Clinica de La Raza of Concord; the Wellness City Challenge, a healthy eating culinary training for high school students; Senior Helpline Services, Contra Costa Child Care Council and the Center for Human Development.

Some of the district's earlier grant recipients, who had fared well under the less-rigorous evaluation process were unsuccessful this time around.

They include NorCal Transitions, a nonprofit service for homeless people whose founder, Rudy Jaime, was later discovered to have a long and troubled work and criminal history.

NorCal's former sponsoring agency, Dr. Harmesh Kumar and his South Asian Behavioral Health, was also eliminated from consideration. Kumar had split from Jaime and submitted a separate grant application for a

nearly identical program.

The Concord Historical Society, Michael Chavez Center in Concord, John F. Kennedy University and the Center of Well Being in Concord also failed to survive the first round.

The Mt. Diablo Health Care District includes Concord, Pleasant Hill, Martinez and portions of Lafayette. The district was formed to build and run a hospital, but voters turned over the facility to John Muir Health in 1996, when financial problems threatened to shut it down.

Local regulators voted earlier this year to assign the district's remaining duties and small pot of tax proceeds to Concord, saying the cost of elections and overhead far surpassed the benefits to taxpayers.

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## Moraga-Orinda Fire District looks at creative solutions for budget

### woes

By Jennifer Modenessi Contra Costa Times Contra Costa Times

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ContraCostaTimes.com

Faced with a possible deficit of more than \$800,000, leaders of the Moraga-Orinda Fire District are looking at creative ways of cutting costs and avoiding service level reductions as they begin discussing their 2012-2013 budget.

At a board meeting Wednesday, district directors considered several proposals they hope will address shortfalls confronting an already strained district. These include another stab at consolidating administrative staff in one office space and not replacing recently retired fire Marshal Mike Mentink.

Fire Chief Randy Bradley asked for board approval to create the new position of assistant fire marshal, which could be filled by the district's fire prevention officer. Bradley also offered to serve as fire marshal.

"We believe it would be in the best interest of the district not to fill that position at this time," Bradley told trustees.

The rather bleak budget projection is the result of a number of factors, according to the chief. They include splitting up the district's pension pool and a \$497,262 increase in employer contributions to the Contra Costa County Employees' Retirement Association. The increase, Bradley said, will pay specifically to make up for shortages in the retirement system, brought about by recession-driven investment losses. That expense, Bradley said, was not unexpected.

Nor was a \$115,000 increase in pension bond obligation payments. Those payments started out low and gradually rose, Bradley said in an interview; district leaders had expected revenues would increase and that it could afford the rising cost.

Board members voted to issue the bonds in 2005 to capture lower interest rates than those offered by the county's retirement association.

Other hits include a projected \$122,000 revenue loss from property tax proceeds and a \$355,000 deficit carried over from the previous fiscal year when the district dipped into reserves.

Working without a fire marshal could save the district \$145,000 a year, Bradley said. Salary and benefits for the position totaled \$220,000, according to a staff report, and the chief proposed a monthly salary of \$9,300 to \$10,600 for the assistant fire marshal.

Two firefighters in attendance asked the board to consider holding off on any decisions until current contract negotiations are settled. And while they said they would support the creation of the assistant marshal position, trustees requested more salary information.

Board members also want more data before deciding whether to purchase a modular building to house the district's administrative staff.

That idea calls for a 1,000-square-foot portable to be placed behind Station 41 in Moraga, which currently houses some district employees. Staffers estimated the cost at \$150,000 and say the building could have a lifespan of at least 10 years.

That option is less expensive than an offer from the city of Orinda, which is proposing the district lease space at City Hall for \$70,000 a year.

Orinda Vice Mayor Amy Worth and Councilwoman Victoria Smith urged the board to consider space at City Hall and asked trustees to weigh all options before making a decision. Board President Fred Weil said the district would make side-by-side comparisons.

The city has been seeking a public agency tenant for that space, but has been unsuccessful so far.

Bradley said later that board members will have to decide whether another public entity's financial situation should come into play over a fire district situation. He said he thought the Orinda City Hall option could work but that it would simply be "a lot more expensive."

#### Cutting fire district costs

Moraga-Orinda Fire District leaders are tackling the 2012-13 budget.

- The district faces a deficit of up to \$800,000, driven partly by a \$496,262 increase in employer contributions to the employee retirement system.
- Not hiring a fire marshal would save about \$220,000 a year, including benefits.

## Permanent fix sought for Mt. Diablo Scenic Boulevard

*Contra Costa Times San Jose Mercury News*

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ContraCostaTimes.com

DANVILLE -- It's a road in no man's land, and no one cared for the crumbling entrance route to Mt. Diablo State Park for years until it was picked as the route for America's premier pro bike race next month.

Then, in a single day, the state parks system coated the road top with asphalt for \$104,000, smoothing the way for the race.

Now the parks system and some 20 or so Diablo homeowners -- who own the milelong stretch of road -- face a tough path ahead to negotiate a cost-sharing pact to permanently fix and maintain it.

Until that truce is reached, Mt. Diablo Scenic Boulevard at the southern entrance to the state park remains in danger of reverting back to an obstacle course of craters, cracks and pebbles that annoy motorists and scare cyclists.

"It was horrible," said state Sen. Mark DeSaulnier, D-Concord. "We have a temporary fix brought about to avoid the national embarrassment of riders in the Amgen tour hitting potholes and crashing. But the work isn't done. We need a permanent solution."

DeSaulnier teamed with Assemblywoman Joan Buchanan, D-Alamo, in persuading top state administrators to pave part of the road with funds from a special Caltrans account reserved for state park roads.

Crews applied the overlay April 9, five weeks before Amgen Tour of California racers ride over the road May 15 in the third leg of the eight-day race featuring 128 racers from 20 nations.

Both state lawmakers said they hope the temporary fix will break a stalemate that for years has blocked a permanent fix.

The homeowners who own the road -- as well as other Diablo residents -- were frustrated that the parks system wouldn't commit money to fix a road making up one of two major entrances to the 20,000-acre state park.

The other entrance is along North Gate Road in Walnut Creek.

Homeowners also expressed worries they would assume liability for the road if they fixed it up, even though park users make up some 70 percent of the road traffic.

State park officials have said they lacked money to fix the road and didn't want to assume the entire bill for a private road along upscale Diablo.

Park officials also said it was cumbersome to deal with more than 20 individual property owners.

The unusual shared responsibility for the pavement made it into a kind of no man's land for road maintenance. It's outside any city, and county officials say they won't take over a substandard road.

Under a 1931 agreement, the twisting road belongs to owners of some 20 to 25 homes, county officials said.

The state holds an easement across those properties, giving the public rights to use a path 60 feet wide.

"We can't think of another situation quite like this in our parks system," said Bill Herms, deputy director for legislation for the parks system.

Herms agreed that the 1931 easement agreement obligates the state to contribute a fair share of road maintenance costs.

To make the deal, he said, the state and homeowners must agree on repair costs and negotiate how to share them. Herms said he is encouraged that all road owners gathered earlier this month in a meeting in Diablo where state park officials announced the paving job.

"We got everyone at the table," he said.

One Diablo resident was surprised and pleased the state stepped forward.

"This is the first time state parks indicated any ability to do maintenance on the road," said Dick Breitwieser, general manager of Diablo Community Services District, which maintains some internal Diablo roads.

Breitwieser said Mount Diablo Scenic Boulevard is much too narrow and in too poor a condition to be taken over by his agency.

Ron Brown, executive director of Save Mt. Diablo, said it's essential to strike a deal. "We can't afford to lose the momentum if we are to ensure a safe and reliable access road to this beautiful state park."

Contact Denis Cuff at 925-943-8267. Read the Capricious Commuter blog at [IBAbuzz.com/transportation](http://IBAbuzz.com/transportation).