



## **NOTICE AND AGENDA FOR REGULAR MEETING**

DATE/TIME: Wednesday, April 8, 2015, 1:30 PM

PLACE: Board of Supervisors Chambers  
651 Pine Street, Martinez, CA 94553

**NOTICE IS HEREBY GIVEN** that the Commission will hear and consider oral or written testimony presented by any affected agency or any interested person who wishes to appear. Proponents and opponents, or their representatives, are expected to attend the hearings. From time to time, the Chair may announce time limits and direct the focus of public comment for any given proposal.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by LAFCO to a majority of the members of the Commission less than 72 hours prior to that meeting will be available for public inspection in the office at 651 Pine Street, Six Floor, Martinez, CA, during normal business hours as well as at the LAFCO meeting.

All matters listed under CONSENT ITEMS are considered by the Commission to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Commission or a member of the public prior to the time the Commission votes on the motion to adopt.

For agenda items not requiring a formal public hearing, the Chair will ask for public comments. For formal public hearings the Chair will announce the opening and closing of the public hearing.

If you wish to speak, please complete a speaker's card and approach the podium; speak clearly into the microphone, start by stating your name and address for the record.

### **Campaign Contribution Disclosure**

If you are an applicant or an agent of an applicant on a matter to be heard by the Commission, and if you have made campaign contributions totaling \$250 or more to any Commissioner in the past 12 months, Government Code Section 84308 requires that you disclose the fact, either orally or in writing, for the official record of the proceedings.

### **Notice of Intent to Waive Protest Proceedings**

In the case of a change of organization consisting of an annexation or detachment, or a reorganization consisting solely of annexations or detachments, or both, or the formation of a county service area, it is the intent of the Commission to waive subsequent protest and election proceedings provided that appropriate mailed notice has been given to landowners and registered voters within the affected territory pursuant to Gov. Code sections 56157 and 56663, and no written opposition from affected landowner or voters to the proposal is received before the conclusion of the commission proceedings on the proposal.

### **American Disabilities Act Compliance**

LAFCO will provide reasonable accommodations for persons with disabilities planning to attend meetings who contact the LAFCO office at least 24 hours before the meeting, at 925-335-1094. An assistive listening device is available upon advance request.

**As a courtesy, please silence your cell phones during the meeting.**

## **APRIL 8, 2015 CONTRA COSTA LAFCO AGENDA**

1. Call to Order and Pledge of Allegiance
2. ***Welcome Returning Commissioners***
3. Roll Call
4. Adoption of Agenda
5. Public Comment Period (please observe a three-minute time limit):  
Members of the public are invited to address the Commission regarding any item that is not scheduled for discussion as part of this Agenda. No action will be taken by the Commission at this meeting as a result of items presented at this time.
6. Approval of Minutes for the March 11, 2015 regular LAFCO meeting

### **OUT OF AGENCY SERVICE REQUESTS**

7. ***LAFCO 15-01 – Blair*** – the Commission will consider a request by the City of Concord to provide municipal sewer service outside its jurisdictional boundary to a 0.28± acre parcel (APN 116-063-006) located at 4761 Laura Drive in the unincorporated Ayers Ranch area to serve a single family home with a failing septic system; and consider related actions under the California Environmental Quality Act (CEQA)

### **BUSINESS ITEMS**

8. ***Agriculture & Open Space Preservation Policy and Workshop*** - the Commission will receive an update on the workshop planning efforts and be asked to provide input.
9. ***FY 2014-15 Third Quarter Budget Report*** - the Commission will receive the third quarter budget report.
10. ***CALAFCO Legislative Report – Update and Positions*** – the Commission will receive a legislative update and be asked to provide direction regarding legislative positions.

### **CORRESPONDENCE**

11. Correspondence from Contra Costa County Employees' Retirement Association (CCCERA)

### **INFORMATIONAL ITEMS**

12. Commissioner Comments and Announcements
13. Staff Announcements
  - Pending Projects
  - Newspaper Articles

### **ADJOURNMENT**

*Next regular LAFCO meeting – May 13, 2015 at 1:30 p.m.*

LAFCO STAFF REPORTS AVAILABLE AT [http://www.contracostalafco.org/meeting\\_archive.htm](http://www.contracostalafco.org/meeting_archive.htm)

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
MINUTES OF MEETING

March 11, 2015

April 8, 2015  
Agenda Item 6

Board of Supervisors Chambers  
Martinez, CA

1. Chair Rob Schroder called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. Roll was called. A quorum was present of the following Commissioners:  
City Members Rob Schroder and Don Tatzin.  
County Members Alternate Candace Andersen.  
Special District Members Michael McGill and Igor Skaredoff and Alternate George Schmidt.  
Public Members Alternate Sharon Burke.  
  
Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.
4. Approval of the Agenda  
Upon motion of Tatzin, second by Andersen, Commissioners, by a vote of 6-0, adopted the agenda.  
  
AYES: Andersen (A), Burke (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: Blubaugh, Glover, Piepho (Members)  
ABSTAIN: none
5. Public Comments  
Vincent Manuel, Senior District Representative for Supervisor (and LAFCO Commissioner) Federal Glover, updated Commissioners on Commissioner Glover's health status.
6. Approval of February 11, 2015 Meeting Minutes  
Upon motion of McGill, second by Andersen, the minutes were approved by a vote of 6-0.  
  
AYES: Andersen (A), Burke (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: Blubaugh, Glover, Piepho (Members)  
ABSTAIN: none
7. LAFCO 14-04 – Reorganization 185: Annexations to CCCSD and EBMUD  
The Executive Officer provided background on this proposal to annex to both CCCSD and EBMUD a total of 172± acres (20 parcels), which was approved by the Commission at the January 2015 meeting. Because it was uninhabited and had less than 100% approval, the reorganization was subject to a protest hearing.  
  
Staff held the protest hearing on February 24, and no protests were filed; consequently, the reorganization is ordered.

**DRAFT**

Upon motion of Tatzin, second by McGill, Commissioners, by a 6-0 vote, received the report, ordered the reorganization, and directed staff to execute the resolution.

AYES: Andersen (A), Burke (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: Blubaugh, Glover, Piepho (Members)  
ABSTAIN: none

8. Proposed Budget and Work Plan for Fiscal Year 2015-16

The Executive Officer presented the proposed annual budget for FY 2015-16, which projects an increase of 3.4% over FY 2014-15, primarily due to increases in personnel costs and LAFCO's contribution to fund the Other Post-Employment Benefits (OPEB) liability. An increase of 3.2% in personnel costs is anticipated, primarily attributable to projected increases in salary and benefit costs. Services & Supplies expenses are expected to decrease by approximately 10%, primarily attributable to decreases in drafting, mapping, and planning costs associated with a decrease in application activity. The proposed budget includes funding for a 2<sup>nd</sup> round MSR. The year-end fund balance will be used to offset the apportioned contributions from the County, cities, and special districts. Application activity has been low, so the most significant revenues will come from those contributions.

The budget also includes LAFCO's annual contribution to fund its OPEB liability. Since FY 2011-12, LAFCO has included in its annual budget \$10,000 to fund its OPEB liability; and has accumulated \$40,000. Recently, LAFCO joined PARS Public Agencies Post-Retirement Healthcare Plan Trust as a sub-account under the County's trust account and transferred that \$40,000 into the trust account.

A commissioned assessment of future liabilities shows an Employer-Paid Accrued Liability of \$516,522 and an annual contribution of \$52,278 that would fully fund the liability over 30 years (not including the \$40,000 LAFCO recently placed in the trust account). The proposed FY 2015-16 budget includes a contribution of \$40,000, which takes into account the first lump sum contribution and future fluctuations in the market. It is recommended that a new assessment be prepared every three years.

Included with the proposed budget is an overview of FY 2014-15 accomplishments and the proposed FY 2015-16 work plan.

There were no public comments.

Commissioners provided comments on the proposed budget and work plan and thanked staff for its work.

Upon motion of Tatzin, second by McGill, Commissioners unanimously by a vote of 6-0 approved the proposed budget for FY 2015-16; directed staff to distribute the proposed budget to the County, cities, and special districts; and scheduled a public hearing for May 13 to adopt the Final FY 2015-16 LAFCO budget.

AYES: Andersen (A), Burke (A), McGill, Schroder, Skaredoff, Tatzin  
NOES: none  
ABSENT: Blubaugh, Glover, Piepho (Members)  
ABSTAIN: none

9. Agriculture & Open Space Preservation Policy and Workshop

The Executive Officer reported that the Policies and Procedures Committee met to discuss details for an Agriculture & Open Space Preservation Policy Workshop.

Commissioner Tatzin reported that as a starting point the committee scoured the Cortese-Knox-Hertzberg Act (CKH) for any mention of agriculture or open space, and assembled a comprehensive list of government code sections relative to this topic. They then reviewed and summarized a number of agriculture and open space policies already in place at LAFCOs around the State.

Commissioner Tatzin laid out some options available to Contra Costa LAFCO, from a base option that primarily restates the CKH provisions, reworded and organized for ease of access, and perhaps provides a pamphlet incorporating the relevant CKH sections. There are also a number of expanded options that the Commission can consider, from mitigation measures that protect ag and open space land in perpetuity (determining appropriate actions and procedures specific to various annexations) to requiring buffer zones between annexations and ag lands (whether on the annexation parcels or adjacent parcels).

Commissioner Burke noted that the committee met with Chad Godoy, the County Agriculture Commissioner, who was helpful in identifying some of the issues. Contra Costa County is unique in that it has both super-urban and super-rural areas, which can create additional conflict and pressure.

The committee is proposing that a workshop be held in place of the July 2015 regular LAFCO meeting. The Brentwood Agricultural Land Trust (BALT) is interested in providing, in conjunction with the workshop, a morning ag lands tour and farm lunch in the Brentwood area.

Commissioners expressed appreciation for the thoroughness of the research and report and added their suggestions regarding topics for the workshop discussion, the balance between ag, open space, and urbanization and inclusion of representatives of all interested and affected parties, and the location of the workshop. While the committee had recommended holding the workshop in East Contra Costa, it was suggested that a central location would be more desirable, inclusive and accessible.

Dick Schneider, representing the Sierra Club, offered his organization's assistance on any environmental issues or discussions at the workshop. He and his colleagues stand ready to help and participate in any way desired.

Lisa Vordebrueggen, representing the Building Industry Association (BIA), assured Commissioners that the BIA supports both housing for all as well as production of food for all. As a LAFCO policy is developed, the BIA would like to see specific analysis about where and how a policy would actually preserve ag and open space above and beyond the protections already in place (the ULL, Williamson Act, etc.). She also urged LAFCO to ensure that developers be included in the workshop discussions.

Commissioners agreed on using the regular LAFCO meeting date of July 8 for the workshop, and directed staff to find a suitable location in Martinez.

10. Correspondence from CCCERA

There were no comments on this item.

11. Commissioner Comments and Announcements

Commissioner Skaredoff noted that he had heart surgery a week prior to this meeting, and he's grateful to be at the meeting—and he wishes the best for Commissioner Glover.

Commissioner McGill reported that he had missed the last CALAFCO Legislative Committee meeting, but will be attending the next one, in Ontario, on March 20.

Chair Schroder reported that he and Commissioner Butt are running for reelection to LAFCO at the April 2<sup>nd</sup> meeting of the Mayors' Conference.

12. Staff Announcements and Pending Projects

The Executive Officer had nothing new to report.

The meeting was adjourned at 2:36 p.m.

Final Minutes Approved by the Commission April 8, 2015.

AYES:

NOES:

ABSTAIN:

ABSENT:

By \_\_\_\_\_  
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

April 8, 2015  
Agenda Item 7

April 8, 2015 (Agenda)

LAFCO 15-01

City of Concord - Out of Agency Service Request (Blair)

## SUMMARY

This is a request by the City of Concord to provide sewer service outside its jurisdictional boundary and within the City's sphere of influence (SOI). The property is 0.28± acres (APN 116-063-006) located at 4761 Laura Drive in the unincorporated Ayers Ranch area. The City's request to provide out of agency sewer 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 policies regulate the extension of out of agency service. Government Code §56133 states that “A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundary 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 boundary but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundary 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 generally 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.

Background – As noted in both the 2014 and 2008 *LAFCO Water/Wastewater Municipal Service Reviews* (MSRs), the City of Concord has historically provided sewer service to unincorporated areas outside the City boundary, many without LAFCO's approval. More recently, the City has requested LAFCO's approval to extend service outside its boundary. Many of these out of agency service connections are located in the Ayers Ranch area, a 189-acre unincorporated island within Concord's SOI. Some parcels within this area are experiencing issues with septic systems, including failure, and have requested municipal sewer service from the City on an individual basis.

The City includes the Ayers Ranch island within its ultimate sewer service boundary. A significant portion of the island is developed or developable. In areas where there are concerns due to failing septic systems, the provision of municipal wastewater services would address public health issues.

The City reports that many property owners in the Ayers Ranch area have expressed opposition to annexation. Additionally, the City and the County have been unable to reach a mutually agreeable property tax sharing agreement should the area be annexed to Concord. In the meanwhile, the City appears willing, with LAFCO's approval, to extend sewer service to properties in this area that experience septic system failure.

Ayers Ranch has been placed by LAFCO within the City's SOI, signifying that the City is the logical, long-term service provider for this unincorporated island. The MSR reports recommend annexation of this area to the City of Concord. Annexation of the Ayers Ranch island, along with those unincorporated areas being served extra-territorially by the City, remains an important issue to resolve.

Out of Agency Service Request by City of Concord – The City requests to provide out of agency sewer service to one parcel located at 4761 Laura Drive in the unincorporated Ayers Ranch area. There is one single family residential home on the property. The law permits LAFCO to authorize the City 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 the City to provide sewer service to the subject property is in response to an existing public health situation.

In October 2014, the Contra Costa County Health Services Department (HSD) conducted an investigation of the septic system at the subject property and “found the septic system to be malfunctioning.” The HSD Specialist noted that “the soil within the drain field was completely saturated with effluent, preventing the soil from absorbing the wastewater, and resulting in ponding effluent within the drain field. This was directly observed by several excavations within the drain field from work completed by a plumbing contractor on a prior occasion.” Further, the Specialist noted that “due to the size of the parcel as well as existing trees and the placement of the existing drain field, there does not appear to be sufficient area available for a replacement drain field. Therefore, Contra Costa Environmental Health supports the property owners’ pursuit of an Out of Agency Service in order to connect to the City of Concord's municipal sewer system.”

The City's application notes that there is an existing sewer line located behind the subject property which is connected to the City's sewer system. Approximately 45 feet of lateral will be needed in order to connect the subject property to the City's sewer system. The property owners are required to sign a deferred annexation agreement with the City and pay all fees associated with the sewer connection.

### Environmental Review

The City of Concord, as Lead Agency, has determined that the project is exempt from the California Environmental Quality Act (CEQA), and has prepared a Notice of Exemption, which is adequate for LAFCO purposes.

### **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. Find that the project is exempt pursuant to section 15268(b)(4) of the CEQA Guidelines, consistent with the determination of the City of Concord acting as Lead Agency.
- B. Authorize the City of Concord to extend sewer service outside its jurisdictional boundary to the 0.28± acre parcel (APN 116-063-006) located at 4761 Laura Drive in the Ayers Ranch area in unincorporated Contra Costa County subject to the following terms and conditions:
  - 1. Sewer infrastructure and service is limited to the existing single family dwelling unit, and
  - 2. The City of Concord has delivered to LAFCO an executed and recorded deferred annexation agreement, and
  - 3. The City of Concord has delivered to LAFCO an executed indemnification agreement providing for the City 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 the City of Concord from providing sewer service to the subject property.

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

**RECOMMENDATION**

**Option 1**

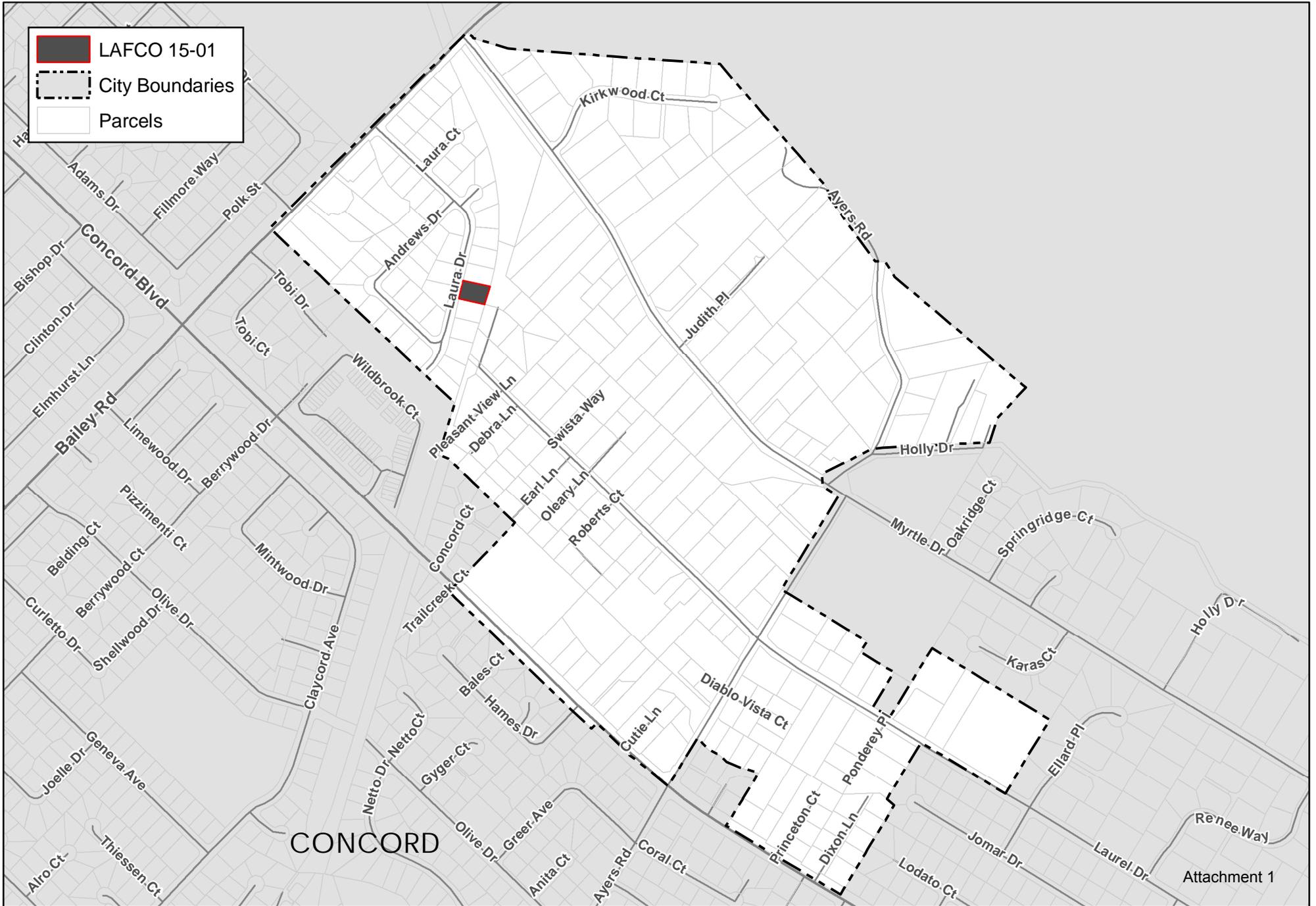
\_\_\_\_\_  
LOU ANN TEXEIRA, EXECUTIVE OFFICER  
CONTRA COSTA LAFCO

Attachments

- 1. Map of Property Located at 4761 Laura Drive
- 2. LAFCO Resolution 15-01

c: Distribution

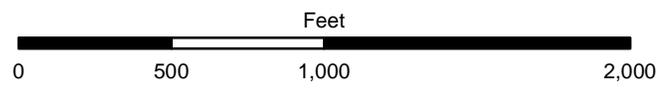
# LAFCO No. 15-01 City of Concord Out of Agency Service (Blair)



Attachment 1

Map created 03/31/2015  
 by Contra Costa County Department of  
 Conservation and Development, GIS Group  
 30 Muir Road, Martinez, CA 94553  
 37:59:41.791N 122:07:03.756W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



**RESOLUTION NO. 15-01****RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
AUTHORIZING THE CITY OF CONCORD TO PROVIDE OUT-OF-AGENCY SEWER SERVICE TO THE  
BLAIR PROPERTY LOCATED AT 4761 LAURA DRIVE (APN 116-063-006)**

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 sewer service to the property in response to a public health situation; and

WHEREAS, the City of Concord and the property owner have entered into a Deferred Annexation Agreement in support of the future annexation of the property to the City of Concord.

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

- A. Find that the project is exempt pursuant to section 15268(b)(4) of the CEQA Guidelines, consistent with the determination of the City of Concord acting as Lead Agency.
- B. Authorize the City of Concord to extend sewer service outside its jurisdictional boundary to a 0.28± acre property located at 4761 Laura Drive (APN 116-063-006) in unincorporated Contra Costa County subject to the following terms and conditions:
  - 1. Sewer infrastructure and service is limited to the existing single family dwelling unit,
  - 2. The City of Concord has delivered to LAFCO an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service, and
  - 3. The City of Concord and the property owner(s) have signed a deferred annexation agreement (DAA), and that the DAA is recorded as prescribed by law and runs with the land so that future landowners have constructive notice that their property is encumbered by the DAA.
- C. Approval to extend City of Concord services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

\* \* \* \* \*

PASSED AND ADOPTED AS REVISED THIS 8<sup>th</sup> day of April 2015, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: April 8, 2015

\_\_\_\_\_  
Lou Ann Texeira, Executive Officer



Lou Ann Teixeira  
 Executive Officer

**MEMBERS**

Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
Federal Glover <i>County Member</i>	Rob Schroder <i>City Member</i>
Michael R. McGill <i>Special District Member</i>	Igor Skaredoff <i>Special District Member</i>
Don Tatzin <i>City Member</i>	

**ALTERNATE MEMBERS**

Candace Andersen  
*County Member*  
 Sharon Burke  
*Public Member*  
 Tom Butt  
*City Member*  
 George H. Schmidt  
*Special District Member*

April 8, 2015  
 Agenda Item 8

April 8, 2015 (Agenda)

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

**Agriculture & Open Space Preservation Workshop**

Dear Members of the Commission:

This report provides an update on the LAFCO Agriculture & Open Space Preservation Workshop. Last month, the Policies & Procedures Committee presented a report summarizing its work to date on developing an agricultural and open space preservation policy, which included the following:

- ❖ prepared a synopsis of the LAFCO statutes pertaining to agricultural and open space land preservation;
- ❖ prepared a summary of agricultural & open space preservation policies of other LAFCOs throughout the State; various policy options for the Commission to consider as it contemplates its own local agricultural and open space preservation policy (i.e., base policy, expanded policy options, various terms & conditions such as land replacement measures, protective easements, buffers, etc.); and
- ❖ prepared a draft outline for the workshop (see attached).

Plans for the July 8<sup>th</sup> workshop are moving forward. To date, LAFCO staff has secured the meeting location (30 Muir Road in Martinez), and confirmed most of the speakers.

At this time, we seek Commission input, particularly on specific issues you would like the panelist to address.

**RECOMMENDATIONS** - Receive the report and provide input on workshop outline.

Sincerely,

LOU ANN TEXEIRA  
 EXECUTIVE OFFICER

**Attachment** – Workshop Outline

**Contra Costa Local Agency Formation Commission (LAFCO)  
Agricultural and Open Space Preservation Workshop  
Wednesday, July 8, 2015 (1:00 – 4:00 pm)  
30 Muir Road, Martinez**

**Purpose of Workshop:** To engage a range of stakeholders in the development of a local agricultural and open space preservation policy to be used by LAFCO to help guide its decisions when considering a proposal that would impact agricultural and/or open space lands.

<b>Time Allotment</b>	<b>Topic</b>	<b>Moderator(s)</b>	<b>Presenter(s)</b>
1:00 – 1:10	Welcome/Introductions		LAFCO Chair
1:10 – 1:30	<i>What is LAFCO</i> <ul style="list-style-type: none"> <li>• Legal framework/statutory mandate/definitions</li> <li>• LAFCO’s conditioning authority</li> </ul>		LAFCO staff
1:30 – 2:00	<i>Why should we care about ag and open space land</i> <ul style="list-style-type: none"> <li>• State, regional and local efforts to preserve ag and open space land</li> <li>• Which areas in the County (incorporated and unincorporated) are identified as important ag and open space land and Priority Conservation Areas (PCAs)</li> </ul>	LAFCO Commissioner	-American Farmland Trust - <b>Kathryn Lyddan, BALT(C)</b> - <b>Bob Doyle, EBRPD (C)</b> - <b>Lisa Vorderbrueggen, BIA (C)</b>
2:00 – 2:30	<i>Agriculture in Contra Costa County</i> <ul style="list-style-type: none"> <li>• How ag land has evolved in the County</li> <li>• What are ag uses in the County (including urban ag) and how much (e.g., crop types, grazing, etc.)</li> <li>• Biggest challenges facing ag community</li> </ul>	LAFCO Commissioner	- <b>Chad Godoy, Contra Costa County Ag Commissioner (C)</b> - <b>John Kopchik, Director, DCD (C)</b> -Al Courchesne, Farmer (I) - <b>Nancy Shaefer or Board Member, California Rangeland Trust (C)</b>
2:30 – 2:40	<i>BREAK</i>		
2:40 – 3:00	<i>Open Space in Contra Costa County</i> <ul style="list-style-type: none"> <li>• Overview of open space in Contra Costa County</li> <li>• Biggest challenges to preserving open space</li> </ul>	LAFCO Commissioner	- <b>Joel Devalcourt, Greenbelt Alliance (C)</b> - <b>Seth Adams/Ron Brown, Save Mt. Diablo (C)</b> - <b>Dick Schneider, Sierra Club (C)</b>
3:00 – 3:15	<i>Case Studies –Other LAFCO Policies</i>		Commissioners Burke & Tatzin
3:15 – 3:55	ROUNDTABLE DISCUSSION <ul style="list-style-type: none"> <li>• Most significant challenges to ag &amp; open space preservation in Contra Costa County</li> <li>• How can LAFCO help?</li> </ul>	LAFCO Commissioner	-All
3:55 – 4:00	NEXT STEPS/CLOSING COMMENTS	LAFCO Commissioner	

**(C) – Confirmed (I) - Invited**



Lou Ann Teixeira  
*Executive Officer*

**MEMBERS**

Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
Federal Glover <i>County Member</i>	Rob Schroder <i>City Member</i>
Michael R. McGill <i>Special District Member</i>	Igor Skaredoff <i>Special District Member</i>
Don Tatzin <i>City Member</i>	

**ALTERNATE MEMBERS**

Candace Andersen  
*County Member*  
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 George H. Schmidt  
*Special District Member*

April 8, 2015 (Agenda)

April 8, 2015  
 Agenda Item 9

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

**Third Quarter Budget Report - Fiscal Year 2014-15**

Dear Members of the Commission:

This is the third quarter budget report for FY 2014-15, which compares adopted and actual expenses and revenues for the period July 1, 2014 through March 31, 2015.

The LAFCO operating budget includes three components: salaries/benefits, services/supplies, and contingency/reserve. The budget is based on the “bottom line,” which allows for variation within line item accounts as long as the overall balance remains positive. Funds may not be drawn from the contingency/reserve without Commission approval.

LAFCO’s budget is funded primarily by the County, cities and independent special districts, with each group paying one-third of the LAFCO budget. The city and district shares are prorated based on general revenues reported to the State Controller’s Office. LAFCO also receives revenue through application fees and interest earnings.

DISCUSSION

On May 14, 2014, LAFCO adopted its final FY 2014-15 budget with appropriations totalling \$782,152 (including contingency/reserve and OPEB Trust).

With 75% of the fiscal year elapsed, the Commission’s third quarter expenditures total \$355,792 or 46% of total appropriations (including OPEB Trust contribution). The Commission budgeted \$390,778 in *salaries/benefits* for FY 2014-15; at the end of the third quarter, actual expenses total \$252,688 or 65% of the total budgeted amount. The Commission budgeted \$301,374 in *services/supplies*; and at the end of the third quarter, actual expenses total \$93,104 or 31%. The budget also includes \$10,000 for the OPEB Trust, and an \$80,000 contingency/reserve; no funds have been drawn from the contingency this fiscal year.

The primary sources of revenues are local agency contributions, application fees, and interest earnings. Total revenues received as of March 31, 2015 are \$620,111. All local agencies have paid their prorated contributions to the LAFCO budget.

As for applications, FY 2014-15 application activity is comparable to FY 2013-14 activity. During the first nine months of FY 2013-14, LAFCO received two new applications; three applications were received during the first nine months of FY 2014-15. Application activity remains sluggish.

LAFCO is currently receiving no investment earnings, and awaits the County Treasurer’s notice to resume investment activity based on market conditions.

Finally, when available, we budget fund balance to offset agency contributions. The FY 2014-15 budget includes \$150,000 in budgeted fund balance. A portion of available fund balance may be used at the end of the fiscal year, if needed. See table below for a summary of budget activity.

<b>Account</b>	<b>FY 2014-15 Final Budget</b>	<b>Third Quarter Actuals</b>	<b>Percentage</b>
Salaries & Benefits	\$390,778	\$252,688	65%
Services & Supplies	301,374	93,104	31%
Contingency/Reserve	80,000	-	-
OPEB Trust	10,000	10,000	100%
<b>Total Appropriations</b>	<b>\$782,152</b>	<b>\$355,792</b>	<b>46%</b>
Agency Contributions	\$610,152	\$610,152	100%
Application/Other Revenue	22,000	9,959	46%
Interest Earnings		-	
Fund Balance	150,000	-	
<b>Total Revenues</b>	<b>\$782,152</b>	<b>\$620,111</b>	

No budget adjustments are recommended at this time. LAFCO staff will continue to closely monitor the budget, and keep the Commission apprised.

RECOMMENDATION

It is recommended that the Commission receive the FY 2014-15 third quarter fiscal report.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER



Lou Ann Teixeira  
Executive Officer

MEMBERS

Donald A. Blubaugh <i>Public Member</i>	Mary N. Piepho <i>County Member</i>
Federal Glover <i>County Member</i>	Rob Schroder <i>City Member</i>
Michael R. McGill <i>Special District Member</i>	Igor Skaredoff <i>Special District Member</i>
Don Tatzin <i>City Member</i>	

ALTERNATE MEMBERS

Candace Andersen  
*County Member*  
Sharon Burke  
*Public Member*  
Tom Butt  
*City Member*  
George H. Schmidt  
*Special District Member*

April 8, 2015

April 8, 2015  
Agenda Item 10

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

## Legislative Report - Update and Positions

Dear Members of the Commission:

The first year of the 2015-16 legislative session is in full swing. CALAFCO is sponsoring two bills including its annual omnibus bill, which is in progress, and AB 851 (see below). CALAFCO is also tracking a number of bills which have direct and indirect impact on LAFCOs (see attached CALAFCO Legislative Report). At this time, we draw your attention to the following bills:

**AB 851** (Mayes) – *Disincorporation* – This is one of two CALAFCO sponsored bills which addresses the antiquated disincorporation statutes. CALAFCO supports the bill in concept and is working with the author on several amendments.

**AB 3** (Williams) – *Isla Vista Community Services District* – This bill would allow for the formation of the Isla Vista CSD which bypasses the LAFCO process. There are concerns with AB 3 as proposed; CALAFCO and Santa Barbara LAFCO are closely watching the bill.

**AB 402** (Dodd) – *Service Extensions Outside Boundaries* - This bill expands LAFCOs' existing authority to approve new and extended services beyond the agencies' spheres of influence (SOIs), based on specified findings. AB 402 is nearly identical to a proposal that CALAFCO considered in 2011; however, due to conflicting views amongst the CALAFCO membership, the proposal was never pursued. CALAFCO has not taken a position on AB 402.

**AB 448** (Brown) and **SB 25** (Roth) – *VLF/ERAF* – These are companion bills that reinstate the VLF payment (through ERAF) for annexations and incorporations. CALAFCO has taken a support position on these bills.

**SB 184** (Senate Governance & Finance Committee) – This is the Committee's annual omnibus bill (separate from the CALAFCO omnibus bill). CALAFCO is currently “watching” this bill pending several amendments.

**SB 239** (Hertzberg) – *Local Services: Contracts: Fire Protection Services* – This bill proposes amendments to LAFCO law to provide special provisions relating to the provision of fire service outside jurisdictional boundaries, including the inclusion of unions needing to approve the service extension and usurping the authority of LAFCO and the service provider, requiring a comprehensive fiscal analysis for the extension of out of agency fire service, and a number of other provisions.

It has been difficult to engage the author and obtain details regarding the proposed legislation and amendments. The CALAFCO Legislative Committee has significant concerns with the proposal, and is opposing the bill. We understand that the California Special Districts Association is also opposing the bill, and that the California State Association of Counties and the League of California Cities are also considering an oppose position.

**SB 272** (Hertzberg) – *Public Records Act – Local Agency Inventory* – This bill require all local agencies, in implementing the California Public Records Act, to conduct an inventory of data gathered by the agency that discloses what 1) data is maintained by the agency, 2) who collects the data, and 3) the frequency in which it is collected. The bill would require the inventory to be available to the public. As proposed, the bill leaves many questions such as completion deadline, frequency, and how the inventory should be made available to the public. CALAFCO is currently “watching” this bill.

Assembly and Senate Committee meetings on most of the bills listed above are scheduled for April. Within the next few days, the CALAFCO Executive Director will solicit position letters from its members. An update regarding high priority bills, and draft position letters will be provided under separate cover once the information becomes available.

**RECOMMENDATION** - Provide input and direction to staff.

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachment: CALAFCO Legislative Update, 4/1/15

## CALAFCO Daily Legislative Report as of Wednesday, April 01, 2015

1

**AB 402 (Dodd D) Local agency services: contracts.****Current Text:** Introduced: 2/19/2015 [pdf](#) [html](#)**Introduced:** 2/19/2015**Status:** 3/2/2015-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would allow a local agency formation commission to authorize a city or district to provide new or extended services outside its jurisdictional boundaries to support existing or planned uses involving public or private properties, subject to approval at a publicly noticed hearing where the commission makes specified determinations. The bill would also make technical and conforming changes.

**Position:** Watch**Subject:** CKH General Procedures, LAFCo Administration, Service Reviews/Spheres

**CALAFCO Comments:** As written, this bill expands LAFCo's existing authority to approve new and extended services beyond agencies' spheres of influence inclusive of public health and safety threats, only if LAFCo can make three findings at noticed public hearings. These findings involve determining the extension: (1) was evaluated in a municipal service review; (2) will not result in adverse impacts on open-space and agricultural lands or growth; and (3) a later change of organization is not expected or desired based on local policies. Further, the bill clarifies LAFCo's sole authority in determining the application of the statute, and deemphasizes the approval of contracts and emphasizes the approval of service extensions.

CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. This is not a CALAFCO sponsored bill. Assembly member Dodd is a former Napa LAFCo Commissioner.

**AB 448 (Brown D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.****Current Text:** Introduced: 2/23/2015 [pdf](#) [html](#)**Introduced:** 2/23/2015**Status:** 3/5/2015-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHIEIN, Chair

**Summary:**

Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

**Attachments:**[CALAFCO Support Letter March 2015](#)**Position:** Support**Subject:** Financial Viability of Agencies, Tax Allocation

**CALAFCO Comments:** As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

**AB 851 (Mayes R) Local government: organization: disincorporations.****Current Text:** Introduced: 2/26/2015 [pdf](#) [html](#)**Introduced:** 2/26/2015**Status:** 3/16/2015-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions, including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation and an outline of current retirement obligations, as specified. This bill contains other related provisions and other existing laws.

**Attachments:**[CALAFCO Support\\_Mar 2015](#)**Position:** Sponsor**Subject:** CKH General Procedures, Disincorporation/dissolution

**CALAFCO Comments:** Sponsored by CALAFCO. As introduced, this bill addressed the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963.

This bill does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy

proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. Further, the bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.

**AB 1532 (Committee on Local Government) Local government: omnibus.**

**Current Text:** Introduced: 3/23/2015 [pdf](#) [html](#)

**Introduced:** 3/23/2015

**Status:** 3/24/2015-From printer. May be heard in committee April 23.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district. This bill would update obsolete references to a "hospital" district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000. This bill makes nonsubstantive technical clean-up corrections to the Act.

**SB 25 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.**

**Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Status:** 3/19/2015-Set for hearing April 8.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/8/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

**Attachments:**

[CALAFCO Support\\_March 2015](#)

**Position:** Support

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

**SB 239 (Hertzberg D) Local services: contracts: fire protection services.**

**Current Text:** Amended: 3/23/2015 [pdf](#) [html](#)

**Introduced:** 2/17/2015

**Last Amended:** 3/23/2015

**Status:** 3/27/2015-Set for hearing April 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

Would establish commission proceedings to consider the exercise of new or extended fire protection services outside a public agency's current service area by contract or agreement. The bill would require the legislative body of a public agency to adopt a resolution and submit the resolution along with a plan for services, as provided. The bill would require that a proposal by a state agency be initiated by the director of the agency with the approval of the Governor. This bill contains other related provisions and other existing laws.

**Position:** Oppose

**Subject:** CKH General Procedures, Municipal Services

**CALAFCO Comments:** As amended, this bill will circumvent local District Board and LAFCo authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts. Further, as written, these changes will require CEQA review. The bill sets a precedent for fire unions to have the final authority to approve fire-related service extensions, thereby opening the door for all other service-related unions to have the same. In addition, the bill requires a comprehensive fiscal analysis for service extensions, which is now only required for incorporations. Who will be responsible for paying for that CFA is not known (at least it is not outlined in the bill language). Finally, the proper government code section relating to service extensions is 56133, which is where any changes to service extension process should be addressed.

**SB 393 (Nguyen R) Local agencies.**

**Current Text:** Introduced: 2/25/2015 [pdf](#) [html](#)

**Introduced:** 2/25/2015

**Status:** 3/5/2015-Referrred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority

and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make technical, nonsubstantive changes to the above-described law.

**Position:** Placeholder - monitor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is a spot bill. According to the author's office, it has been introduced by the Senator on behalf of the Republican Caucus as a local government spot bill (Senator Nguyen is the Vice Chair of the Senate Gov & Finance Comm). CALAFCO will monitor.

**AB 3 (Williams D) Isla Vista Community Services District.**

**Current Text:** Amended: 3/26/2015 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Last Amended:** 3/26/2015

**Status:** 3/26/2015-Referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would establish the Isla Vista Community Services District and would specify the services that district would be authorized to provide, including, among others, the power to create a tenant mediation program and to exercise the powers of a parking district. This bill contains other related provisions.

**Attachments:**

[CALAFCO Letter of Concern Dec 2014](#)

**Position:** Watch

**Subject:** LAFCo Administration, Special District Powers

**CALAFCO Comments:** As introduced, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). This authority would completely bypass the LAFCo process in the creation of this special district. CALAFCO issued a letter of concern on the intent language on December 20, 2014.

**AB 541 (Dahle R) Big Valley Watermaster District Act.**

**Current Text:** Introduced: 2/23/2015 [pdf](#) [html](#)

**Introduced:** 2/23/2015

**Status:** 3/5/2015-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would create a watermaster district with unspecified boundaries within the Counties of Lassen and Modoc to be known as the Big Valley Watermaster District. The bill would generally specify the powers and purposes of the district. The bill would prescribe the composition of the board of directors of the district. The bill would require the district to provide watermaster service on behalf of water right holders whose place of use under an appointed decree, as defined, is a parcel of real property within the district.

**Position:** Watch

**Subject:** LAFCo Administration, Special District Powers, Water

**AB 707 (Wood D) Agricultural land: Williamson Act contracts: cancellation.**

**Current Text:** Introduced: 2/25/2015 [pdf](#) [html](#)

**Introduced:** 2/25/2015

**Status:** 3/12/2015-Referred to Coms. on AGRI. and L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 1:30 p.m. - State Capitol, Room 126 ASSEMBLY AGRICULTURE, PEREA, Chair

**Summary:**

Current law provides for the procedure to cancel a contract entered into under the provisions of the California Land Conservation Act of 1965 and provides that the landowner and the Department of Conservation may agree on the cancellation value of the land. This bill would repeal the authorization for the landowner and the department to agree on the cancellation value of the land.

**Position:** Watch

**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** As written, this bill repeals the provision that allows cancellation of the valuation of the land.

**SB 272 (Hertzberg D) The California Public Records Act: local agencies: inventory.**

**Current Text:** Introduced: 2/19/2015 [pdf](#) [html](#)

**Introduced:** 2/19/2015

**Status:** 3/27/2015-Set for hearing April 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

Would require each local agency, in implementing the California Public Records Act, to conduct an inventory of data gathered by the agency that discloses what data is maintained by the agency, by whom, and with what frequency it is collected. The bill would require the inventory to be available to the public. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**Position:** Watch

**Subject:** LAFCo Administration, Public Records Act

**CALAFCO Comments:** As written, this bill requires all local agencies (including LAFCo) to conduct an inventory of all data gathered by the agency that includes (1) what the data is; (2) who collects it; and (3) the frequency with which it is collected. This bill is an unfunded mandate on public agencies.

3

**AB 168 (Maienschein R) Local government finance.**

**Current Text:** Introduced: 1/22/2015 [pdf](#) [html](#)

**Introduced:** 1/22/2015

**Status:** 1/23/2015-From printer. May be heard in committee February 22.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

**Position:** Placeholder - monitor

**Subject:** Tax Allocation

**CALAFCO Comments:** This is a spot bill. No information is available on the author's intent at this time.

**AB 369 (Steinorth R) Local government.**

**Current Text:** Introduced: 2/17/2015 [pdf](#) [html](#)

**Introduced:** 2/17/2015

**Status:** 2/18/2015-From printer. May be heard in committee March 20.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Planning and Zoning Law establishes in each city and county a planning agency with the powers necessary to carry out the purposes of that law. Current law sets forth the Legislature's findings and declarations regarding the availability of affordable housing throughout the state. This bill would make nonsubstantive changes to those findings and declarations.

**Position:** Placeholder - monitor

**CALAFCO Comments:** This is a spot bill. No information is available at this time regarding the author's intent for the bill. CALAFCO will monitor for amendments.

**AB 568 (Dodd D) Reclamation District No. 108: hydroelectric power.**

**Current Text:** Introduced: 2/24/2015 [pdf](#) [html](#)

**Introduced:** 2/24/2015

**Status:** 3/9/2015-Referred to Coms. on L. GOV. and U. & C.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/8/2015 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, MAIENSCHIN, Chair

**Summary:**

Current law authorizes Reclamation District No. 1004, in conjunction with the County of Colusa, to construct, maintain, and operate a plant, transmission lines, and other necessary or appropriate facilities for the generation of hydroelectric power, as prescribed. Current law requires proceeds from the sale of electricity to be utilized to retire any time warrants issued for construction of the facilities and otherwise for the powers and purposes for which the district was formed. This bill would grant the above-described hydroelectric power authority to Reclamation District No. 108.

**Position:** Watch

**Subject:** Special District Powers

**AB 656 (Garcia, Cristina D) Joint powers agreements: mutual water companies.**

**Current Text:** Introduced: 2/24/2015 [pdf](#) [html](#)

**Introduced:** 2/24/2015

**Status:** 3/9/2015-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law authorizes local public entities, as defined, to enter into a joint powers agreement for the purposes of providing risk-pooling, as specified. This bill would specifically authorize 2 or more mutual water companies, or 2 or more mutual water companies and one or more public agencies that operate a public water system, to participate in joint powers agreement for risk-pooling, technical support, and other similar services.

**Position:** Watch

**Subject:** Other

**CALAFCO Comments:** As written, the bill gives the ability to two or more mutual water companies, or a mutual water company and a public agency to enter into a joint powers agreement. The bill limits the purpose of such a joint powers agreement to either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

**AB 948 (Patterson R) Local government: community service districts.**

**Current Text:** Amended: 3/26/2015 [pdf](#) [html](#)

**Introduced:** 2/26/2015

**Last Amended:** 3/26/2015

**Status:** 3/26/2015-Referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would authorize a person to serve on the Board of Directors of the Sierra Cedars Community Services District if he or she holds title to land within the district. This bill contains other related provisions.

**Position:** Watch

**Subject:** Special District Powers

**CALAFCO Comments:** As introduced this is a spot bill. CALAFCO will watch for amendments.

**SB 13 (Pavley D) Groundwater.**

**Current Text:** Amended: 2/24/2015 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Last Amended:** 2/24/2015

**Status:** 3/24/2015-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 1.) (March 24). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** While this bill has no direct affect on LAFCos, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will watch the bill.

**SB 181 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/9/2015 [pdf](#) [html](#)

**Introduced:** 2/9/2015

**Status:** 3/19/2015-Set for hearing April 8.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/8/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

This bill would enact the First Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[CALAFCO Letter of Support\\_Mar 2015](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 182 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/9/2015 [pdf](#) [html](#)

**Introduced:** 2/9/2015

**Status:** 3/19/2015-Set for hearing April 8.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/8/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

This bill would enact the Second Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[CALAFCO Letter of Support\\_Mar 2015](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 183 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/9/2015 [pdf](#) [html](#)

**Introduced:** 2/9/2015

**Status:** 3/19/2015-Set for hearing April 8.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/8/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

This bill would enact the Third Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[CALAFCO Letter of Support Mar 2015](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 184 (Committee on Governance and Finance) Local government: omnibus bill.**

**Current Text:** Introduced: 2/9/2015 [pdf](#) [html](#)

**Introduced:** 2/9/2015

**Status:** 2/19/2015-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. The bill would also make technical, nonsubstantive changes to these provisions.

**Position:** Watch

**Subject:** Other

**CALAFCO Comments:** This bill is the Senate Governance & Finance Committee's annual Omnibus bill. This bill is intended to make technical, non-substantive changes to the Government Code outside of CKH.

**SB 226 (Pavley D) Sustainable Groundwater Management Act: groundwater rights.**

**Current Text:** Introduced: 2/13/2015 [pdf](#) [html](#)

**Introduced:** 2/13/2015

**Status:** 3/26/2015-Set for hearing April 14.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/14/2015 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair

**Summary:**

Would provide, under the Sustainable Groundwater Management Act, that a groundwater sustainability plan or coordinated groundwater sustainability plans establishes a timely method for determining rights to groundwater in furtherance of the objectives of the act. This bill would require the process to be available to any court of competent jurisdiction. This bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified.

**Position:** Placeholder - monitor

**Subject:** Water

**CALAFCO Comments:** This is a spot bill to address groundwater rights relating to the new Sustainable Groundwater Management Agencies.

**SB 422 (Monning D) Santa Clara Valley Open-Space District.**

**Current Text:** Introduced: 2/25/2015 [pdf](#) [html](#)

**Introduced:** 2/25/2015

**Status:** 3/27/2015-Set for hearing April 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, HERTZBERG, Chair

**Summary:**

Would change the name of the Santa Clara County Open-Space Authority to the Santa Clara Valley Open-Space District, and would authorize the district to acquire interests in real property that are either within the district's jurisdiction, part of a single property that is both within and adjacent to the district's jurisdiction, or within a watershed that includes lands within the district's jurisdiction where protection of those watershed lands outside of the district's jurisdiction is necessary to protect conservation values within the district's jurisdiction. The bill would also make related conforming changes.

**Subject:** Special District Powers

**SB 485 (Hernandez D) County of Los Angeles: sanitation districts.**

**Current Text:** Introduced: 2/26/2015 [pdf](#) [html](#)

**Introduced:** 2/26/2015

**Status:** 3/12/2015-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The County Sanitation District Act authorizes a sanitation district to acquire, construct, and complete certain works, property, or structures necessary or convenient for sewage collection, treatment, and disposal. This bill would authorize specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. This bill contains other related provisions.

**Subject:** Special District Powers

**SB 552 (Wolk D) Public water systems: disadvantaged communities: drinking water standards.**

**Current Text:** Introduced: 2/26/2015 [pdf](#) [html](#)

**Introduced:** 2/26/2015

**Status:** 3/17/2015-Set for hearing April 15.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

4/15/2015 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

**Summary:**

Would require, by January 1, 2017, the State Water Resources Control Board to develop a plan, including enforcement mechanisms, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the plan to identify strategies to help bring disadvantaged communities into compliance with safe drinking water standards.

**Position:** Watch

**Subject:** Disadvantaged Communities, Water

Total Measures: 25

Total Tracking Forms: 25

4/1/2015 9:14:03 AM



**AGENDA**

April 8, 2015  
Agenda Item 11

**RETIREMENT BOARD MEETING**

SPECIAL MEETING  
March 19, 2015  
9:00 a.m.

Retirement Board Conference Room  
The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Panel discussion with INVESCO Real Estate and LaSalle Real Estate regarding best practices for property owners.

*CLOSED SESSION*

4. The Board will go into closed session under Govt. Code Section 54956.81 to consider the sale of a particular pension fund investment.

*OPEN SESSION*

5. Consider and take possible action to approve SACRS Board of Director nominees for the 2015-2016 elections.
6. Consider authorizing the attendance of Board and/or staff:
  - a. Siguler Guff Annual Meeting, April 29-30, 2015, New York, NY
7. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



**AGENDA**

**RETIREMENT BOARD MEETING**

SECOND MEETING  
March 25, 2015  
9:00 a.m.

Retirement Board Conference Room  
The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.

*CLOSED SESSION*

3. CONFERENCE WITH LABOR NEGOTIATORS  
(Government Code Section 54957.6)

Agency designated representatives:  
Gail Strohl, Retirement Chief Executive Officer  
Christina Dunn, Retirement Administration Manager  
Joe Wiley, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700  
Unrepresented Employees: All CCCERA unrepresented positions

4. The Board will continue in closed session under Gov. Code Section 54957 to evaluate the performance of the following public employee:  
Title: Chief Executive Officer

*OPEN SESSION*

5. Consider and take possible action to adopt the CCCERA Employer/Employee Relations Policy.
6. Presentation from staff and Wastewater Capital Management regarding Wastewater Opportunity Fund.
7. Consider and take possible action regarding potential commitment to Wastewater Opportunity Fund.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

8. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION  
PENDING PROPOSALS – APRIL 8, 2015**

April 8, 2015  
Agenda Item 13a

<b>LAFCO APPLICATION</b>	<b>RECEIVED</b>	<b>STATUS</b>
West County Wastewater District Annexation Nos. 310 and 312: proposed annexation of 3.33± acres located at 39 Kirkpatrick Drive and 5527 Sobrante Avenue in El Sobrante	11/7/08	Incomplete; awaiting info from District
UCB Russell Research Station (RRS): proposed SOI amendment to East Bay Municipal Utility District (EBMUD) of 313± acres located on Happy Valley Road, southeast of Bear Creek Rd, and north of the Lafayette city limits (with concurrent annexation application)	11/25/08	Incomplete; awaiting info from applicant
UCB RRS: proposed annexation of 313± acres to EBMUD	11/25/08	Incomplete
Laurel Place/Pleasant View Annexation to City of Concord: proposed annexation of 5.86± acres located on Laurel Dr and Pleasant View Ln	5/8/09	Pending property tax exchange agreement
Highlands Ranch Phase II SOI Amendment: proposed SOI amendments to the cities of Antioch (reduction) and Pittsburg (expansion) of 194± acres located east of Pittsburg city limits, within Antioch Somersville Road Corridor Planning Area	10/23/09	Incomplete; awaiting info from applicant
Discovery Bay Community Services District (DBCSD) SOI Amendment (Newport Pointe): proposed SOI expansion of 20± acres bounded by Bixler Road, Newport Drive and Newport Cove (with corresponding annexation application)	7/28/10	Incomplete; awaiting info from applicant
DBCSD Annexation (Newport Pointe): proposed annexation of 20± acres to supply water/sewer services to a 67-unit single family residential development	7/28/10	Incomplete; awaiting info from applicant
Bayo Vista Housing Authority Annexation to RSD – proposed annexation of 33± acres located south of San Pablo Avenue at the northeastern edge of the District's boundary	2/20/13	Continued from 11/12/14 meeting
Northeast Antioch Reorganization Area 2A: Annexations to City of Antioch and DDS; detachments from CSAs L-100 and P-6	7/30/13	Continued from 6/11/14 meeting to 6/10/15
Reorganization 186 - Annexations to CCCSD and EBMUD: proposed annexation of Magee Ranch/SummerHill (402± acres; 9 parcels total;) to CCCSD (8 parcels) and EBMUD (7 parcels)	6/20/14	Continued from 2/11/15 meeting to 5/13/15

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## ConFire Seeks Public-Private Ambulance Partnership

*By Nick Marnell*

Jeff Carman has proposed his most radical idea yet as the chief rebuilds the Contra Costa County Fire Protection District. Carman convinced the Board of Supervisors to allow ConFire to pitch for the available county ambulance contract, up for renewal this year. But not only does the district plan to pitch for the ambulance contract, it is looking to partner with a private ambulance company to help secure the winning bid. Financial advantages to both the ambulance company and the fire district make this partnership concept feasible. "The ambulance companies are very good at the business side of their operation, including billing and dynamic deployment of resources," said Carman. Private ambulance companies are not eligible for the government Ground Emergency Medical Transportation reimbursement program - a federal match, up to costs incurred, for providing approved services - which is available only to public entities. So partnering with a public entity may be a sound business model for the ambulance companies. AP Triton LLC, a fire consultant, estimates that nearly \$10 million per year will be available in GEMT funds in Contra Costa County. ConFire posted a request for qualifications last month to prospective contractors. The incumbent county ambulance vendor, American Medical Response, likely a bidder for the new county contract, could also be a partnership candidate. "Yes, we'll certainly consider it," said Erik Rohde, AMR General Manager for Contra Costa County. "We're looking to improve the county emergency medical system in whatever way we can." Proposals were due to the district at the end of February; ConFire expects to choose its partner later this month. "Other fire agencies in and around the Bay Area and across the state are watching what model emerges from our negotiations," said Carman. "I am excited about it. I think it will be a true blend of public and private and will provide the best service to the citizens of any system I have seen."

Reach the reporter at: [info@lamorindaweekly.com](mailto:info@lamorindaweekly.com)[back](#)

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# Financially strapped Doctors Medical Center agrees to sell part of campus to San Pablo

By [Tom Lochner tlochner@bayareanewsgroup.com](mailto:TomLochner@bayareanewsgroup.com)

Posted: 03/11/2015 08:39:24 PM PDT Updated: about 8 hours ago

SAN PABLO -- The board of Doctors Medical Center has ratified a \$2 million deal to sell the city a 2.5-acre slice of the hospital campus currently leased to the adjacent Lytton Rancheria casino for parking.

The sale, which the San Pablo City Council approved Tuesday, is supposed to close Friday, just in time to give the hospital enough cash to meet its bi-weekly payroll next week. It would give the West Contra Costa Healthcare District, which owns the financially ailing hospital, at most a couple of weeks of breathing room to make a final decision whether to start an orderly shutdown, a process that could take six months and cost an estimated \$4 million to \$6 million.

The hospital is running at an \$18 million annual deficit and will have to close, district officials have said, unless someone comes forward with a viable proposal to save it.

District officials said they were expecting to receive a proposal from an investors' group, Venturata, that had not come through as of Wednesday's board meeting. Another, by entrepreneur and former San Diego-area community hospital CEO Larry Anderson, is forthcoming, either as a standalone proposal or in collaboration with Venturata, board Vice Chairwoman Deborah Campbell said.

Dr. Otis Rounds, a DMC physician, said after Wednesday's meeting that an "early-stage collaborative relationship with UC Berkeley" had been discussed earlier this month with state Assemblyman Tony Thurmond and state Sen. Loni Hancock. The elected officials could not immediately be contacted late Wednesday.

Unless details of a proposal and an unspecified amount of money are in place by next week, the hospital will have no choice but to begin closing, several officials said.

DMC board member Beverly Wallace held out scant hope.

"These deals and all this money that people were going to bring to the table -- that has never materialized," Wallace said. "It's just sad, and I'd hate to see the hospital close. A lot of people will suffer, especially the senior citizens.

"You can only kick the can down the road so long."

Interim CEO Kathy White said she would know by Friday whether the board will have any deal proposal to discuss. Any such meeting would be scheduled for next week.

Nurses, doctors and residents who spoke Wednesday mostly urged the board to hold out as long as possible for a way to keep DMC open as a full-service, acute-care hospital. Cancer patients would be especially devastated, two speakers said.

The deal ratified Wednesday is the first of two parts of a larger, tentative deal to sell most of the hospital's off-campus real estate holdings in addition to the casino parking area to the city for \$7.5 million; the off-campus holdings include two medical office buildings, some parking and a residential condominium, all on Vale Road across from the campus.

DMC board Chairman Eric Zell and San Pablo City Manager Matt Rodriguez both said this week they are optimistic the second part of the deal for the \$5.5 million balance can be closed April 1.

The Lytton tribe paid \$4.6 million up front last year for a 20-year easement to use the 2.5-acre piece of the campus. San Pablo will take on the liability of the outstanding term of the easement, or about \$4.4 million, making the overall deal, assuming it goes forward, worth \$11.9 million to the health care district.

"We think we are getting a very good deal for \$11.9 million," Zell said after Wednesday's vote. "We keep 80 percent of the hospital property."

In January, San Pablo had offered to buy the entire hospital campus along with the Vale Road properties for \$11 million plus a 5.88-acre city-owned lot.

# Contra Costa Times

03/12/2015

'Let's move forward'

## Diablo to keep roads open

Community board decision a relief to worried cyclists

By Joyce Tsai

[jtsai@bayareanewsgroup.com](mailto:jtsai@bayareanewsgroup.com)

DANVILLE — To the relief of more than 300 residents, Diablo's roads will continue to stay open for cyclists — and there shouldn't be any so-called stealth attempts to change that in the future.

From now on, any attempts to restrict access in the unincorporated community will require adequate notification, and a town hall-style forum must be called to allow residents to discuss such proposals, the Diablo Community Services District board voted Tuesday night.

"It's now up to our publicly elected board to govern Diablo fairly, based on the facts and law, with total transparency and openness," said Tom Wander, who with his wife, Nancy, helped to start the Keep Diablo Open Committee. "Let's move forward as a community to tackle real problems with real solutions but also strive to avoid any future morning surprises like the 2014 speed bumps."

The issue has heated up recently as more cyclists use Diablo Road to access Mount Diablo.

Wander and his group cited a history of various attempts by some residents since 2013 — including proposals for locks on gates, road closures, signs and cobblestones — to impede access to bicyclists throughout the community. All of these, except a proposal for speed bumps in August 2014, have failed to gain any traction with the district's board.

"It's a pattern we'd like to stop," he said.

Toward that end, the committee collected 307 signatures of residents opposed to future proposals to block access to bicyclists.

Board member Jeff Mini said previous boards may have discussed proposals in the past, but those were dismissed, and the current board never had any plans to limit access to Diablo's roads. He said some residents misled others into believing board members were thinking of gating or restricting the community, "when we never were," he said.

"This board has never had an intent to isolate Diablo roads," board member Don Hoffman added. "It kind of started as a rumor, I guess, but I don't think there's an issue."

Many of the 40 residents who attended the meeting said they believed prohibitions on bicyclists would open the community to lawsuits, so they preferred to work with bicyclists on safety and put up signs as reminders.

David Birka-White, an attorney, said although it's a private community, it has always promised public right of way to its roads, and a number of legal opinions underscore the fact.

However, a number of residents on Calle Arroyo said their experience was quite different from the rest of the community. They said some people have been hit by bicyclists, and there have been many near-misses. They feared it was only a matter of time before a more serious accident takes place.



Cyclist Scott Norton, of Moraga, approaches the summit of Mount Diablo last spring.

JOSE CARLOS FAJARDO/STAFF ARCHIVES

# Delta drama: Two female employees of small reclamation district sue board members alleging sexual harassment, retaliation

By Matthias Gafni [mgafni@bayareanewsgroup.com](mailto:mgafni@bayareanewsgroup.com)

Posted: 03/13/2015 04:15:40 PM PDT Updated: 4 days ago



Reclamation District 799 board members from left, Arthur Hanson, James Hopwood, Karla Fratus, Richard Kent and Jim Price listen during the public comment portion of their meeting of the Reclamation District 799 on Bethel Island, Calif., on Wednesday, March 11, 2015.

**HOTCHKISS TRACT** -- Reclamation District 799 has a pretty simple job: maintain its 8.9 miles of levees between Oakley and Bethel Island and keep the tiny Delta island dry.

While the 8.9 miles of levees have held over the past year, a legal storm threatens to breach the diminutive government agency with allegations of sexual harassment and retaliation by two male trustees against one current and one former female employee.

On Wednesday, the board had scheduled a special meeting to discuss firing or disciplining levee Superintendent Kristy Petrosch. But following a divisive meeting full of emotional outbursts and an invitation to step outside and settle things, the board postponed a vote.

Just two months earlier, district Administrator Angelia Tant claims she was forced to retire, the latest in a string of departures at the agency. The women have now sued the district and board members Richard Kent and Arthur Hanson, alleging the two district residents and landowners demeaned them over the past year with sexist taunts, calling one "momma" or "good-looking" and the other "gorgeous."

Normally tasked with beaver dam removal, pump maintenance and levee supervision, Petrosch often drove around on a tractor. She alleges that Kent and Hanson forced her to get tractor-driving certification, a standard to which none of her male predecessors was held.

"It's been extremely difficult to deal with being treated unfairly," said the women's attorney, Erin Guy Castillo. "People should be able to work and make a living without being treated differently because of their gender."

Kent and the district's general counsel declined to comment Thursday, citing the pending litigation. A call to Hanson was not returned.

Established in 1901, the district has governed Hotchkiss Tract, a typical Delta island surrounded by sloughs and canals and filled with fewer than 1,000 retirees, fishermen, ranchers and vacationers.

Tant served as the district's top administrator for a decade. Petrosh was hired in August 2013 as assistant levee superintendent.

The problems began in 2013, when, the women allege, former levee Superintendent George Hodgerney started harassing and intimidating them. They said he was fired after they complained, after which Petrosh was promoted to the top post. But Hodgerney didn't give up, they said, so they went back to the board. That's when Kent, who is friends with Hodgerney, blamed them for his buddy's termination, they allege in their lawsuit.

Tant said that at one point, Kent told her to "grow a pair," referring crudely to a part of the male anatomy, and another time he told her to "grow a pair of something, like (breasts) or legs," the lawsuit alleges.

Tant also said Kent told her it was OK for Hodgerney to call her and other women "bitches."

In a phone interview Friday, Hodgerney confirmed he was fired as superintendent but denied ever harassing the women. "They're saying that about everybody," he said. "They're saying a lot of stuff that's not true."

In the lawsuit, Petrosh claims Kent touched and held her waist and hip area, and remarked how women shouldn't operate tractors or heavy machinery.

And Hanson told Tant: "You're looking better than ever, young lady," among other sexist comments, the lawsuit alleges.

Another board member told Tant the men would have to attend sexual harassment training, but there is no evidence they ever did, the women say.

Tant and Petrosh filed claims against the district in October, which were denied in December.

By that time, the board was falling apart. Dale Wong, board president of 10 years, resigned in September because it was "uncomfortable" to continue. He called Tant the "glue" holding the district together and said Petrosh as levee superintendent "exceeded expectations." He said he asked Kent at one point to resign for having his "own agenda."

Another trustee left in November citing "health" concerns because of the new board, and the district's administrative assistant resigned, calling it an "unhealthy and hostile work environment." In a district with only four employees, the turnover has led to paychecks not reaching workers or contractors, among other bureaucratic slowdowns, Tant said.

Cate Kuhn, chairwoman of neighboring Reclamation District 2059 on Bradford Island, where Tant also works, visited a District 799 meeting and wrote a scathing letter about Tant's bosses, citing their "vitriolic and ineffectual behavior."

"I witnessed a complete lack of respect from the majority of the trustees; oftentimes speaking over you, cutting you off, or completely disregarding the information," she wrote.

Tant was forced to resign because of stress and the effect on her personal life, attorney Guy Castillo said.

"She felt like she had no other choice," the attorney said. Both women are suing for unspecified damages.

At least one trustee was bent on firing Petrosh at Wednesday's special meeting, according to an email obtained by this newspaper.

"PLEASE RESCHEDULE an evening special meeting ASAP in order to terminate the insolent superintendent's employment," trustee Karla Fratus wrote March 2 to the district's contracted attorneys and others.

While Petrosh was not fired, there was still plenty of drama at the meeting held in the tiny board room in the agency's Bethel Island lobby. Petrosh's father, Ron Petrosh, warned Hanson not to allow family members to confront his wife over the lawsuit.

"If I have to, me and you are going to have to dance," he said.

Contact Matthias Gafni at 925-952-5026. Follow him at [Twitter.com/mgafni](https://twitter.com/mgafni).

# Barnidge: To PLA or not to PLA, that's what Pinole and Hercules must decide

[By Tom Barnidge Contra Costa Times Columnist](#)

Posted: 03/13/2015 07:49:32 PM PDT Updated: 4 days ago

You will be excused for not keeping abreast of the latest developments with the Pinole-Hercules wastewater treatment plant. It's not the sort of topic that generates much Twitter traffic.

The facility that was built in 1955 has needed an upgrade since about the time pay phones disappeared -- a fact that eventually came to the attention of the Regional Water Quality Control Board, which imposed a demand for modernization. Discussions about how to make that happen have been going on for at least five years. The fun didn't begin until four months ago, when the Pinole City Council took its role as lead partner to heart by voting approval of a project labor agreement for the upgrade project without consulting next-door neighbor Hercules.

Pinole Councilwoman Debbie Long uttered the words that still echo in West County: "There's nothing in our agreement that states we have to engage Hercules when it comes to contracts, because guess who signs? Pinole."

Fast-forward to last Tuesday, when the Hercules City Council responded to Pinole's unilateral decision by voting against implementation of a PLA.

"Pinole's tactic of voting for this almost painted Hercules into a corner, like we had to do this," Hercules Vice Mayor Dan Romero said, an edge to his voice.

A project labor agreement, in which all hiring is processed through union halls, has its pros and cons. On the upside, management rights and laborers' working conditions are negotiated into a contract that sets hiring goals, no-strike clauses and dispute resolutions. On the flip side, nonunion contractors must pay union benefits and nonunion workers must pay union dues, often reducing the bidding pool, which can drive up costs.

Both sides have their arguments. Now, can they find a point of agreement?

"I don't know yet," said Romero. "I'm trying to get the two cities to talk -- the way they should have in the first place."

Pinole Mayor Pete Murray sounded receptive: "I'm hoping we can sit down and have a discussion. I don't think we'll come to an impasse. We're all reasonable people."

Romero, who voted against a PLA, said he's still annoyed by "heavy-handed" attempts by union members to get their way, including a name-calling attack after he cast his vote. Fellow Councilman Bill Kelly said a union member suggested to him that other Hercules projects might incur unexpected delays if the PLA vote didn't go the right way.

"I think there was a fairly clear threat there," he said.

Still, neither of them ruled out changing their minds if "deal points" can be hammered out before signing over hiring rights. Romero wants a clarification of what constitutes "local hires." Kelly seeks leeway for any nonunion contractor who wins the bid to be a part of PLA negotiations and his "core workers" to be part of the construction team. Neither is standard practice in most PLAs.

While the two sides stake out their ground, the clock continues to tick. The \$44 million project could take as long as 24 months, and the mandated deadline for completion is June 2017. Meanwhile, the job can't go up for bid until this issue is resolved.

"We're starting to talk dollars and cents over any delay in scheduling," Murray said. "We need to get the project going so we're not talking forever. As we're doing that, we're watching the cost of construction and materials go up."

To PLA or not to PLA, that's the question. In Pinole and Hercules, the answer awaits.

Contact Tom Barnidge at [tbarnidge@bayareanewsgroup.com](mailto:tbarnidge@bayareanewsgroup.com).

# Moraga-Orinda Fire District looks at ways to fund \$16.9 million in promised retirement health care benefits

By Jennifer Modenessi

[jmodenessi@bayareanewsgroup.com](mailto:jmodenessi@bayareanewsgroup.com)

Posted: 03/15/2015 09:22:36 PM PDT Updated: 5 days ago

MORAGA -- After years of failing to set aside money to pay for retirement health care benefits promised its employees, the Moraga-Orinda Fire District is one step closer to providing the needed \$16.9 million to do so.

District trustees Steve Anderson and Brad Barber, acting as the district's finance committee, are recommending directors begin funding the debt for "other pensionable employee benefits."

That debt is a fraction of the district's nearly \$80 million in overall pension debt and includes \$20.4 million for bonds the district issued in 2005 to pay off some of its pension debt.

It also includes a \$40 million gap between the value of pension benefits earned by district employees and retirees and the money available to fund those benefits.

If approved, the district will move beyond "pay-as-you-go" funding of retiree health care benefits.

Administrators plan to set up a trust, invest the trust funds and use the returns to pay for the future health care costs.

If it pans out, it will be the first time the nearly 18-year-old district starts funding those benefits.

"The district has set aside no money to pay for retiree benefits for current employees," said Gloriann Sasser, the district's administrative services director.

Anderson and Barber recommend the board set up the trust with Public Agency Retirement Services, or PARS, a private trust administration program. The district plans to infuse the trust with an initial \$84,000 contribution.

If the board decides to establish the trust, the district -- which serves about 35,000 residents in Moraga, Orinda and Canyon -- will join other fire departments across the Bay Area squirreling away funds to pay for future retiree health care benefits.

Those districts include the Alameda County and Livermore-Pleasanton fire departments and the Rodeo-Hercules Fire District.

The Contra Costa County Fire District makes a \$2 million annual contribution for retiree health care benefits that goes into a county trust to fund a nearly \$116.7 million liability.

If implemented, the idea could potentially further reduce the district's health care debt an additional \$5 million this fiscal year, based on projected investment earnings.

This is on top of a \$7.2 million decrease in the liability administrators say is the result of a new labor contract that caps how much the district pays for medical and dental insurance for active employees and retirees, among other stipulations.

But at least one resident is urging the district to consider more conservative investment options, such as investing in highly rated bonds.

Orinda resident Steve Cohn also suggests officials consider lowering projected investment yields to protect future revenue streams funding the debt from a recession or other financial hit.

"Is 'shooting for the moon' the best strategy for a public agency funding retirement benefits?" Cohn asked in a letter to the finance committee.

Lowering debt isn't the only reason to set up the trust.

Soon to be implemented are new accounting principles used by state and local governments that require the district and other agencies to report the health care liability on their balance sheets rather than in footnotes.

This "prefunding" also makes balance sheets look better, said Mitch Barker, PARS' executive vice president.

"Lower liabilities gives an agency a chance to keep some form of retiree health. If you don't prefund, and the liabilities are very high, and the costs are very high, that may affect where things go in the future," Barker said.

# The Gilroy Dispatch

## **LAFCO: Sustainable Growth, Good Governance**

Neelima Palacherla | Posted: Sunday, March 15, 2015 2:42 pm

Neelima Palacheria

Santa Clara County is one of the fastest growing counties in the state and is projected to add more than half a million new residents in the next 25 years.

What is the best way to accommodate this growth and build communities in ways that allow local governments to provide cost effective services while ensuring that valuable natural resources such as open space and agricultural lands are preserved?

This is a major challenge for local government—and a core concern for the Local Agency Formation Commission of Santa Clara County, more commonly known as LAFCO.

LAFCO is a state-mandated, independent local agency whose purpose is to discourage urban sprawl, preserve open space and agricultural lands and encourage efficient delivery of services.

LAFCO fulfills these goals by regulating the boundaries of cities and special districts and by conducting studies to inform its regulatory duties.

Santa Clara County's LAFCO has seven members, including two county supervisors, one San Jose City Council member, one council member from any of the other 14 cities in the county, two special district board members and one public member selected by the other six. As LAFCO members, they must act on behalf of the countywide public interest, consistent with locally adopted LAFCO policies and the state mandate.

In the 1950s, California experienced dramatic population growth and economic development. Demand for housing, jobs and services triggered rampant, unplanned, sprawling development that resulted in inefficient public service delivery systems and massive conversion of agricultural and open space to urban use. In response, the State Legislature created LAFCOs in 1963 and gave them responsibility for encouraging orderly growth and development in each county.

Early in the 1970s, Santa Clara LAFCO, the 15 cities and the county jointly adopted policies that call for urban development to only occur within cities. Cities proposed urban service area boundaries that identified lands each intended to annex for future development. Those boundaries were adopted by LAFCO and future expansions became subject to its approval.

Since urban service areas are key to where and when future growth will occur and services will be provided, LAFCO reviews each expansion request very carefully.

One of LAFCO's first considerations in reviewing an expansion proposal is whether there are infill development opportunities and whether the city has used or underused its existing supply of vacant land before seeking expansion.

Among many other factors, LAFCO also will consider whether the expansion would result in conversion of agricultural or open space lands, whether the services and infrastructure needed to support the proposed growth

can be financed and provided without negatively impacting current city services, and whether there is an adequate water supply available.

The creation of LAFCO and implementation of its policies has slowed the outward spread of urban development in Santa Clara County. This has, in turn, allowed for the preservation of an informal “greenbelt” around the urbanized area that consists of protected open space lands, farmlands and scenic hillsides. Consequently, despite experiencing significant growth over the years, our county remains a very desirable place to live and work.

Today, LAFCO continues to play a vital role in promoting sustainable growth and good governance in Santa Clara County. Through its actions to curb sprawl and preserve open space and agricultural lands, LAFCO can play a key role in addressing emerging issues such as the reduction of greenhouse gas emissions.

*Neelima Palacherla is Executive Officer of the Local Agency Formation Commission of Santa Clara County. She wrote this column for the Dispatch. For more information about LAFCO, visit, [www.santaclaralafco.org](http://www.santaclaralafco.org).*

# The Modesto Bee

## Values for saving farmland up for a vote

By Garth Stapley

gstapley@modbee.com

03/19/2015 7:24 PM

03/19/2015 10:10 PM

Six of the nine cities in Stanislaus County are lining up against a proposed farmland preservation rule scheduled for a vote Wednesday.

Ceres, Riverbank, Oakdale, Patterson, Newman and Waterford fear the proposal would “artificially inflate the market” for farm conservation easements and argue that it would usurp cities’ and counties’ land-use authority.

“We embrace our country’s founding principles of a free market and local control,” attorney Douglas White, who represents most of the cities, said in a letter to the Stanislaus Local Agency Formation Commission. That body rules on cities’ annexation requests and will consider the controversial rule change next week.

LAFCO made headlines with a 2012 policy requiring that cities do something to save farmland when applying to grow, such as having voters approve urban limits or permanently preserving farmland somewhere else in the county. The current proposal includes a formula for computing how much money developers should pay cities, to be put toward buying and overseeing farm easements.

The change was suggested when Patterson leaders last year considered charging \$2,000 an acre. Critics scoffed, saying that’s nowhere near the true cost of easements.

LAFCO’s staff studied formulas used elsewhere, from \$2,500 per acre charged by Lathrop, Manteca and Tracy to Stockton’s \$9,600 per acre. Staffers settled on methodology similar to that adopted by Stanislaus County, Hughson and Yolo County’s LAFCO and embraced by the Central Valley Farmland Trust; it would require fees equal to 35 percent of average prices in five comparable land sales, plus a 5 percent endowment. That currently comes to \$7,305 per acre.

“The proposal will do nothing but make it more expensive to preserve agricultural land,” White said.

Also, it “raises serious legal questions regarding whether Stanislaus LAFCO is unconstitutionally exercising” power traditionally held by cities, he said, asking the agency to stop “unreasonably interfer(ing)” and give “the free market a chance to work.”

Waterford Mayor Mike Van Winkle sent a letter arguing similar points and predicting the rule change would “deter future annexations, as it will be infeasible for developers to pay” such fees. Patterson City Manager Ken Irwin said the rule could derail his staff’s effort to establish a mitigation bank that would amass fees and use them to leverage more farm-saving money in state tax credits and federal grants.

Sara Lytle-Pinhey, LAFCO’s assistant executive officer, recommends that the proposed formula be offered as a guideline for calculating acceptable fees. If a city wants to charge developers less, it would be free to “provide additional information demonstrating that the lower fee is sufficient,” she said in a report.

The commission is composed of two officeholders from the county, two from cities and Brad Hawn. Hawn is a former Modesto councilman but is supposed to represent the public.

Stanislaus LAFCO will meet at 6 p.m. Wednesday in the basement chamber at Tenth Street Place, 1010 10th St., Modesto. For more information, go to [www.stanislauslafco.org/info/Agenda\\_PDFs/15/03252015a.pdf](http://www.stanislauslafco.org/info/Agenda_PDFs/15/03252015a.pdf).

Bee staff writer Garth Stapley can be reached at [gstapley@modbee.com](mailto:gstapley@modbee.com) or (209) 578-2390.

# Martinez: Future of golf course land to be decided by voters

By [Sam Richards srichards@bayareanewsgroup.com](mailto:srichards@bayareanewsgroup.com)

Posted: 03/19/2015 06:25:38 AM PDT Updated: about 21 hours ago

MARTINEZ -- A debate that divided the community over whether a golf course equates to open space, and whether the owner of a failing business should have the right to sell its land to a homebuilder, apparently will be settled by voters next year.

The decision to place the referendum on the November 2016 ballot came amid a testy City Council meeting Wednesday night that featured accusations of corruption and deception regarding a proposed 99-house development at what is now Pine Meadow Golf Course and the resulting petition drive to stop it.

Caught in the middle is the family that has owned the land for over 100 years, and may close the golf course within weeks.

Though the open-space advocates clearly got what they wanted Wednesday, supporters of the golf course owners and the proposed housing, including City Councilwoman AnaMarie Avila Farias, said they are confident voters will affirm the council's January decision to change the land's zoning to allow for houses at the golf course.

"It's really unfortunate we have had to take it to this level," she said shortly before the council voted 4-0 to place a referendum on the November 2016 ballot.

The council had voted in January to make a change in the city's general plan to allow the 25.9-acre Pine Meadow land to be rezoned from open space and recreation uses to residential use. That would have paved the way for the Coward family, the longtime owner of that land north of Center Avenue and west of Vine Hill Road, to sell it for construction by DeNova Homes.

The referendum issue was forced by Friends of Pine Meadow, who after the council's January vote started a petition drive to require either that the City Council rescind its general plan amendment enabling the zoning change, or put the zoning/housing issue to a public vote. More than 2,800 valid signatures were gathered, far more than needed to force a council decision.

The council also could have called for a special election, which would have taken place in mid-June or later. But at an estimated cost of more than \$64,000, that idea was rejected.

Wednesday night's meeting grew heated at times, and Vice Mayor Mark Ross had to make several appeals for public commenters to keep remarks from getting personal.

Supporters of Friends of Pine Meadow contended that the course is open space that must be preserved. Some took council members to task for accepting money from developers and then supporting such a housing project, with at least two of them calling it "corruption."

"We want a solution that's palatable for an entire community, not just a select few," said resident Heather Ramamurthy, an opponent of the housing project who likened Martinez to Los Altos Hills and Sausalito for its natural beauty. "Don't squander it."

Others said the Friends of Pine Meadow group was deceptive in that its very name suggests it supports Pine Meadow's longtime owners, and by extension, the new houses. Some in the audience called the referendum petition gatherers "liars" and said many who signed did so thinking they were supporting the Coward family.

"They're going through hell out there," resident Rich Verrilli said of the family. "I hope the council has some backbone on this."

Tim Platt, a lead organizer of the petition drive, said accusations of misrepresentation "can certainly cut both ways" but that the large number of signatures proves a key point.

"It's very clear the people of Martinez think open space incredibly important," he said.

Members of Friends of Pine Meadow have suggested the golf course could become a park. But Ross reiterated Wednesday night that the city does not have the money to turn that property into a park, and that any park there would have to be paid for by the community.

Christine Coward Dean, the golf course's owner, told the council something else is important, too -- property rights. She said she resents the idea of not being able to do what she wants with her own land, especially after four years and 30 community meetings about the golf course's fate, with no such "Friends"-type opposition surfacing. She also doesn't consider the golf course "open space."

Dean said there is no way the money-losing golf course can continue to operate for long, much less until the November 2016 election. She said it will likely close, perhaps as soon as the end of March. She said her family is investigating other uses for the land in the meantime, perhaps boat or RV storage.

"And I guess I'll be working on an 18-month education campaign about Pine Meadow" ahead of an election, she said.

# Confire, AMR join forces to submit emergency ambulance bid

By Matthias Gafni [mgafni@bayareanewsgroup.com](mailto:mgafni@bayareanewsgroup.com)

Posted: 03/20/2015 06:05:02 AM PDT Updated: about 8 hours ago

In what could be an unprecedented partnership between a private ambulance company and public firefighting department, American Medical Response and the Contra Costa Fire District have agreed to join forces and present a bid for the county's next emergency ambulance contract.

The pair reached an agreement March 12 and hope to find efficiencies to improve service delivery to residents, and streamline internal operations as well. The duo are negotiating terms of their agreement and hope to enter a formal bid to Contra Costa emergency management officials within a few weeks, said Erik Rohde, AMR general manager.

"This is unique as far as I know," Rohde said. "I think it's something with a lot of potential, not just in California, but the rest of the country."

Neither side would share details of the proposed partnership because of ongoing negotiations, but Confire officials said they performed a statewide search for a partner and selected AMR.

"Ultimately, AMR submitted the best proposal that called for new innovations and identified efficiencies between both entities that will strengthen the delivery of emergency ambulance and advanced life support care to the residents of Contra Costa County while bringing the best value to the system," fire Chief Jeff Carman said in a statement.

The contract for AMR, which has served emergency calls in the county for decades, expires at the end of the year, and the bidding process to find a new ambulance provider opened last month. Firefighters for the San Ramon Valley and Moraga-Orinda fire districts already provide emergency ambulance services in those areas.

Before opening the new contract to bidding, county officials asked participants to provide two service models: one similar to the current model -- which consists of AMR ambulances and Confire units both responding to emergency calls, with AMR responsible for hospital transport -- and another with ways to optimize services to match patient need. In 2012, county supervisors hired consultants to create a report to find efficiencies in the system and ways to reduce any potential county subsidies.

Rohde said the public will likely not notice any of the changes in a joint service, saying the "subtle" changes will streamline service delivery.

"It brings to the table more innovative opportunities and ways we can be more efficient if we work together," Rohde said.

The Board of Supervisors is expected to choose a provider in July. The contract will last five years, with options for another five.

Contact Matthias Gafni at 925-952-5026. Follow him at [Twitter.com/mgafni](https://twitter.com/mgafni).

# Guest commentary: Referendum will neither 'save' Pine Meadow Golf Course nor turn it into a park

By Rob Schroder, guest commentary © 2015 Bay Area News Group

Posted: 03/20/2015 04:00:00 PM PDT

Preserving open space and beautiful parkland is a worthy goal. Our city exceeds the number of open space acres per capita than what is currently required in the General Plan.

So when a handful of residents launched a referendum holding hostage the city's decision to rezone what is currently the Pine Meadow Golf Course -- misinforming residents into believing that this privately-owned property could one day become a park -- I asked for an opportunity to set the record straight.

Pine Meadow Golf Course has served Martinez well. Back in 1965, the property was annexed into the city and zoned for 180 residential units. In 1973, after the Coward family built the golf course, the land was rezoned as recreational open space -- even though it remained privately-owned, housed a business, and its owners continued to pay school and property taxes as if it was zoned for residential housing.

After 50 years of service to the Martinez community, the Coward family has determined that Pine Meadow is no longer financially sustainable and is closing on March 31.

Real options for this property are limited. There is no plan to turn this land into a city-owned park for a number of reasons: First, the city already has 55-acre Hidden Lakes Park -- one of our community's largest parks -- just two blocks away from Pine Meadow.

Second, the land currently houses a business, restaurant and bar and its land is contoured for a commercial golf course -- not natural open space. Its trees are not native and the land contains man-made irrigation basins that are pumped out nightly, making it largely unsuitable for open space.

Even if the city determined we needed a park at this location (which we have not), we just couldn't afford to buy the land and maintain it as a park. This is private property, worth millions of dollars, and it would take a huge hike in residents' property taxes for us to purchase the property and maintain it -- a fact the referendum supporters omit.

On multiple occasions the city has indicated no interest (or ability) to purchase the Pine Meadow property, so the Coward family began working with the city and a local developer to explore the option of rezoning the land back to its original designation -- single-family residential housing.

After nearly 30 public hearings and community meetings where residents' voices were heard, the Martinez Planning Commission and the City Council voted to allow the return to residential housing zoning on the Pine Meadow property, with two caveats: The developer be required to preserve three-times the amount of parks and open space on the land, as well as contribute \$700,000 for citywide park improvements.

Enter the referendum supporters, calling themselves the "Friends of Pine Meadow" and asking Martinez citizens to sign the petition for what they said would "Save Pine Meadow" and turn it into a park.

They told passers-by that the population of Martinez has grown more than 10 percent since 1990, thus warranting a new park (the population has actually decreased by 42 people from 2000 to 2010); they said more than 68 percent of the residents they surveyed would support an increase in taxes to pay for a new park at Pine Meadow (also not true -- would you?).

If you signed the petition and were hoodwinked into believing you would "Save Pine Meadow" and turn it into a park -- don't feel bad, you're not alone. More than 3,000 Martinez voters signed the petition believing the same thing.

The referendum that may go before Martinez voters only rescinds the Pine Meadow rezoning decision the City Council made in January, and in no way "Saves Pine Meadow" or ensures that the Coward family's private land will be turned into a park.

If the referendum passes, let's hope the next proposed use for the land won't be something less palatable than nice family-oriented homes.

Rob Schroder is the mayor of Martinez.

# San Pablo: Why Doctor s Medical Center hasn't closed yet — a commentary by Dr. Sharon Drager

Chris Treadway

Posted: 03/23/2015 01:20:17 PM PDT Updated: a day ago

If money were the only consideration, DMC would have closed years ago. Its financial challenges are no different than they have been. Hospitals close all the time; however, except for rural hospitals, there are usually other hospitals in the community to pick up the slack. So when Los Medanos closed, Sutter Delta was just down the road; the community still had a hospital and most of the medical staff was intact.

The situation in West County is different, and everyone knows it. That's why there's a reluctance to see it close. DMC is not just the only public hospital in West County, it's the ONLY hospital except for a Kaiser facility that has to take anyone who shows up in the emergency room, but is not open to the public for anything else.

Hospitals are ecosystems, not just inpatient facilities. In West County a medical community rich in specialists has grown up around DMC and cares for a community that has a high burden of chronic illness. So, when the hospital closes, so does the Cancer Center (radiation and chemotherapy), a busy Wound Care Center, advanced heart attack care, advanced comprehensive care for dialysis patients and comprehensive care for surrounding nursing homes, among other services.

Physicians won't practice for long in offices surrounding a dead hospital. Many surgical specialists cluster around hospitals, which are their work places. They will disappear from West County and won't be replaced. The Hospital Council's assertions that an Urgent Care Center will fulfill the needs of the community are disingenuous. Yes, many patients visiting any ER can be treated as outpatients, but many require advanced imaging, consultations and fairly aggressive treatment to allow them to go home. Urgent Care centers associated with hospital systems do can work like this but not small stand-alone units attached only to primary care clinics.

West County is in a relatively isolated position for an urban community as far as heart attack care is concerned. Without DMC, heart attack patients whether they're Kaiser members or non-Kaiser members and whether they live in Richmond or Kensington have to be transported to Concord or Oakland. A 10-minute trip becomes an eternity.

The new hospital model for West County residents will be strictly 20th century, not up to date. Patients who require inpatient care will be treated episodically at whatever institution has room for them, often with a new set of specialists every admission. Kaiser has a vaunted coordinated care system, which applies only to its members. The default mode for non-members at Kaiser hospitals is "treat and street."

Pat Frost can argue that no one has yet died in an ambulance, but I know complicated patients who died because they were shipped to unfamiliar hospitals. Finally, while I hope the community will consider a parcel tax, it is grossly unfair to tell West County residents that they don't merit a

hospital because they didn't support another parcel tax. No one, including the editorial board of the *Contra Costa Times*, has ever suggested that residents of Walnut Creek or San Ramon or Antioch don't deserve a hospital because they don't pay a property tax. I guess those people are just luckier.

Dr. Sharon Drager is a vascular surgery doctor in San Pablo.

## A Candid Conversation With California's 'Water Czar'

There will be no "March miracle" this year.

After a record-dry January, California is on track for a March that is also in record-dry territory. And the state Department of Water Resources says we may be looking at the [skimpiest Sierra snowpack](#) on record.

None of this has been lost on Felicia Marcus, who chairs the [State Water Resources Control Board](#). When water supplies are tight, as they are now, her board is where the buck stops in arguments over who gets what.

I sat down with her to find out where we go from here.

**Craig Miller:** Your senior scientist at the Water Board has said that it's "hard to overstate the severity of this drought." How would you characterize it?

**Felicia Marcus:** It's the worst thing that any of us have dealt with — probably worse than anything our grandparents ever dealt with, for a number of reasons. The precipitation levels have, of course, been terrible. Our [reservoirs are low](#) and you can see that graphically. Our [snowpack is even worse](#). And so the dislocation caused by multiple years of low precipitation — particularly the fact that it's been so warm and we don't have snowpack — is like a double whammy.

People will quibble about precipitation levels and look at 1924 and 1977 as technically having less precipitation than now. That is nothing to have a party about because there are millions more people than there were relying on that water. So we have [communities running out of water](#), we have hundreds of thousands of acres of fields that have been fallowed, we've got thousands of [people out of work](#) and we've got [fish and wildlife suffering](#) as never before.

**CM:** We started to see [water restrictions last year](#). How will this year be different?

**FM:** Let me start with my most fervent hope, which is that local water agencies will begin to act as if we might have a ["millennial drought," like Australia](#). I think people were hoping for rain, which is not a strategy.



Felicia Marcus chairs the powerful State Water Resources Control Board. (Families Protecting the Valley)

## Existing California Water Restrictions

Enacted 2014



**Shut-off nozzles** required for washing cars



**No watering** that creates "visible runoff"



**No watering** of hardscapes (sidewalks, etc.)



**No fountains** that don't recirculate water



**Cities** must have emergency drought plans in place

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## Major NEW Water Restrictions

Enacted 2015



**Water only on demand** in restaurants



**No lawn watering** 48 hours after rain



**Limits on watering days** set by cities



**Stepped-up response** to customer water leaks

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Marcus says local water agencies were “dithering” over what to do, so last summer, her board stepped in with a first-ever set of [statewide minimum rules](#) for water use. Beginning in May, they’ll [tighten the screws](#) a little bit more.

That will mean, among other things, people will have to ask for water at restaurants, and local water agencies will have to limit days in which lawn and landscape watering are allowed — in some cases to two days a week. It’ll be up to local water officials to adapt and enforce the rules.

**CM:** It’s the first time that the state has set a sort of minimum bar.

**FM:** First time any state has actually stepped in and set minimum conservation levels, but we felt we had to — not to control and tell everybody what to do, in fact they were quite modest — but to ring the bell and give some permission to the local agencies. And what I said was, “If you’re worried that your customers are gonna be mad at you, blame me. You know, I don’t mind if they’re mad at me.” It’s better if we act now.

### [Keep Up With All Our Drought Coverage](#)

**CM:** There also seems to be a gap between the rules and enforcement part of that. Much was made a year ago about \$500 fines. To your knowledge, has anybody been fined \$500?



**FM:** You know, I’ve heard anecdotally that there have been \$500 fines. We weren’t intending to say, “Thou shalt fine.” We were actually enabling locals who maybe didn’t have the authority — we were giving them the authority to go up to \$500. Some go to a thousand, some shut off your water. Again, this is something that localities do in different ways.

**CM:** Here we are in Year 4 and we’re just talking about saying to restaurants, “No, you can’t automatically bring a glass of water to every table.” Honestly, isn’t that something we should’ve done in Year 1?

**FM:** Well, absolutely, I mean there are communities all over the state that have been doing it for years and they’ve never undone it — and that is the right thing to do. Again — what’s appropriate for the state to do and what’s appropriate for the locals — and we’re trying to tread somewhat lightly. Our goal isn’t a statewide takeover of every urban water agency. But in a time of crisis, we need something that’s more visible. It sends a recurrent message that we’re in a drought because part of our challenge is, it rained a lot in December, so people may have thought the drought was over.

*You can hear a longer version of our interview with Felicia Marcus by clicking on the audio player at the top of this post.*

### Related

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- [11 comments](#)

[DonWood](#) • [a day ago](#)

Ms. Marcus is right that the cheapest acre foot of water is the one you don't use. Water conservation is the cheapest way to address the growing drought. But if Ms. Marcus and her board (and the governor) are waiting for local water agencies to take the lead to help their customers use water more efficiently, California is about to dry up and blow away. Local water districts and agencies revenues are directly tied to their water sales. If they actually fielded truly effective incentive water conservation programs they would see their revenues go down, which is money they need to pay off billions of dollars in infrastructure debt. In the 1970s, the California Public Utilities addressed this same problem with the state's energy utilities. In its 1981 SDG&E rate case decision, the Commission "decoupled" the utility's energy sales from its revenue by adopting a new regulatory model under which it established each utility's revenue needs every few years. If a utility sold less energy than needed to meet its revenue requirements, it was allowed to raise its rates to meet those requirements. If it sold more energy than needed to meet its approved requirements, it was required to rebate that money back to customers via reduced rates. At the same time, it ordered SDG&E and eventually the other regulated utilities to collect money in rates and spend it installing energy efficiency measures in customers homes and businesses. Eventually the CPUC allowed utility shareholders to earn a return based on a small percentage of the avoided cost of energy their programs saved.

California currently has no equivalent to the CPUC with rate setting authority over local water agencies. Until it comes up with a solution similar to the one adopted by the CPUC for the energy utilities, local water agencies will talk a good game when it comes to encouraging customers to use less energy, but they won't lift a finger to make that happen by offering truly effective conservation programs.

Don Wood, Sr. Policy Advisor  
Pacific Energy Policy Center  
dwood8@cox.net

[Craig Miller, KQED](#) (to) [DonWood](#) • [21 hours ago](#)

I'm so glad you brought this up. I did ask her about the prospects of "decoupling" the water biz. Her response was a bit technical to make the interview cut for radio, but essentially what she said was that it could be done, but it would likely need to be done by individual local water agencies for themselves, of which there are more than 400 in CA (some of which are regulated by her board and some by the CPUC), that it would be difficult to manage from the state level, as was done with a much smaller group of electric utilities. I agree that it's worth looking into.

[DonWood](#) (to) [Craig Miller, KQED](#) • [21 hours ago](#)

That's the problem. Individual water districts were spawned over the decades as sprawl developer couldn't convince existing cities or water

agencies to extent water to their outlying development projects, and then packed the new agencies with their reps on the new boards to get water for their sprawl subdivisions. Because these grew up at the local level, the state never bothered to try to regulate how they set their rates. So we find ourselves in a position where the local agencies have no incentive to help customers become more efficient. They are already freaking out over the possibility of a "death spiral", where they keep raising rates and customers use less and less water in response, to the point where the local agencies can't pay their debt and go bankrupt.

This is a governance structural conundrum that has never been addressed at the federal or state level, but if they want to see truly effective water efficiency programs, they're going to have to change the structure of the system. By the way, I worked for San Diego Gas & Electric in 1980 and 1981 and helped convince the CPUC to authorize the first ratepayer funded utility energy efficiency program, which provided free weatherization to low income and elderly families in SDG&E's service area, which then lead to the \$3 billion utility energy conservation programs we see today. So we know this issue can be addressed, but I doubt that Marcus, the governor or the legislature will bite the bullet until the damage has been done. To paraphrase Churchill, California legislators and regulators will end up doing the right thing, but only after they've exhausted all alternatives.

[Steve Frisch](#) (to) [DonWood](#) • [5 hours ago](#)

The practice of 'decoupling' is by far the most important policy initiative that could come out of the current water crises, even more important than groundwater management because it could have a revenue stream for conservation tied to it. Kudos to those of you on this thread who worked on decoupling electric utility rates in the 1980's; in the 1970's Californians used about the same amount of electricity per capita as the average American did, today Californians consume roughly 50% of the electricity per capita. That has been a net savings of billions of dollars per year in utility rates and a conservation record almost unequaled in the country. We could do the same with water, but decoupling would have to be tied to the same sort of strict conservation measures and payments for implementing water efficiency. We recently studies leak loss in a few selected Sierra Nevada water systems and found astounding numbers, in some cases 30% loss in the system, but system operators lack the funding to plug the leaks when they know where they are. Huge savings and job creation could come just from replacing aging and inefficient infrastructure.

[Diane B.](#) (to) [Steve Frisch](#) • [3 hours ago](#)

Prop 1 and the State Revolving Fund can provide grants and loans to pay for such infrastructure improvements, which I agree are desperately needed.

[Bill Altmann](#) • [a day ago](#)

I heard nothing in the report about conserving water outside urban areas. The vast majority of water usage is for industry and agriculture. What is Ms. Marcus doing about that? And, what about the cities (like the state capital, Sacramento) where homes are not even metered for their water usage?!

[Craig Miller, KQED](#) (to) [Bill Altmann](#) • [a day ago](#)

We focused on urban water conservation in this interview because that's the target of the most recent actions by Marcus' board. Yes, agriculture uses far more water than cities -- the ag share ranges from about 40% to more than 70%, depending on how you're doing the calculation. We have given extensive coverage to that and will continue to do so. Scroll through our Drought Watch page and you'll find plenty.

<http://blogs.kqed.org/science/...>

[C. A. Hinton](#) • [a day ago](#)

Thanks for the reporting, Craig. I too was struck by your mention that urban water use amounts to 10% of the the total. There is a WSJ piece today about 'virtual water' - water used to produce food or commodities shipped out of state. Article at [Tinyurl.com/pzfthkq](http://Tinyurl.com/pzfthkq)

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What about water bottling companies like Nestle? What about agricultural use and farmers tapping into out underground water? What about new regulations that wont go into effect for YEARS?

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You're right: the newly passed groundwater regs will take decades to fully implement, which worries many, including Marcus. That was slightly beyond the scope of this interview but we'll be doing more on that. As for ag, her board is constrained by California's byzantine system of water rights. Farms on the state's two big water projects have taken substantial cuts in their allocations, but under our system "junior" rightsholders take the brunt of it. Many have argued for a system more like Australia's, in which water rightsholders share the pain more evenly during droughts.

- [11 comments](#)

[DonWood](#) • [a day ago](#)

Ms. Marcus is right that the cheapest acre foot of water is the one you don't use. Water conservation is the cheapest way to address the growing drought. But if Ms. Marcus and her board (and the governor) are waiting for local water agencies to take the lead to help their customers use water more efficiently, California is about to dry up and blow away. Local water districts and agencies revenues are directly tied to their water sales. If they actually fielded truly effective incentive water conservation programs they would see their revenues go down, which is money they need to pay off billions of dollars in infrastructure debt. In the 1970s, the California Public Utilities addressed this same problem with the state's energy utilities. In its 1981 SDG&E rate case decision, the Commission "decoupled" the utility's energy sales from its revenue by adopting a new regulatory model under which it established each utility's revenue needs every few years. If a utility sold less energy than needed to meet its revenue requirements, it was allowed to raise its rates to meet those requirements. If it sold more energy than needed to meet its approved requirements, it was required to rebate that money back to customers via reduced rates. At the same time, it ordered SDG&E and eventually the other regulated utilities to collect money in rates and spend it installing energy efficiency measures in customers homes and businesses. Eventually the CPUC allowed utility shareholders to earn a return based on a small percentage of the avoided cost of energy their programs saved.

California currently has no equivalent to the CPUC with rate setting authority over local water agencies. Until it comes up with a solution similar to the one adopted by the CPUC for the energy utilities, local water agencies will talk a good game when it comes to encouraging customers to use less energy, but they won't lift a finger to make that happen by offering truly effective conservation programs.

Don Wood, Sr. Policy Advisor  
Pacific Energy Policy Center  
dwood8@cox.net

[Craig Miller, KQED](#) (to) [DonWood](#) • [21 hours ago](#)

I'm so glad you brought this up. I did ask her about the prospects of "decoupling" the water biz. Her response was a bit technical to make the interview cut for radio, but essentially what she said was that it could be done, but it would likely need to be done by individual local water agencies for themselves, of which there are more than 400 in CA (some of which are regulated by her board and some by the CPUC), that it would be difficult to manage from the state level, as was done with a much smaller group of electric utilities. I agree that it's worth looking into.

[DonWood](#) (to) [Craig Miller, KQED](#) • [21 hours ago](#)

That's the problem. Individual water districts were spawned over the decades as sprawl developer couldn't convince existing cities or water

agencies to extent water to their outlying development projects, and then packed the new agencies with their reps on the new boards to get water for their sprawl subdivisions. Because these grew up at the local level, the state never bothered to try to regulate how they set their rates. So we find ourselves in a position where the local agencies have no incentive to help customers become more efficient. They are already freaking out over the possibility of a "death spiral", where they keep raising rates and customers use less and less water in response, to the point where the local agencies can't pay their debt and go bankrupt.

This is a governance structural conundrum that has never been addressed at the federal or state level, but if they want to see truly effective water efficiency programs, they're going to have to change the structure of the system. By the way, I worked for San Diego Gas & Electric in 1980 and 1981 and helped convince the CPUC to authorize the first ratepayer funded utility energy efficiency program, which provided free weatherization to low income and elderly families in SDG&E's service area, which then lead to the \$3 billion utility energy conservation programs we see today. So we know this issue can be addressed, but I doubt that Marcus, the governor or the legislature will bite the bullet until the damage has been done. To paraphrase Churchill, California legislators and regulators will end up doing the right thing, but only after they've exhausted all alternatives.

[Steve Frisch](#) (to) [DonWood](#) • [5 hours ago](#)

The practice of 'decoupling' is by far the most important policy initiative that could come out of the current water crises, even more important than groundwater management because it could have a revenue stream for conservation tied to it. Kudos to those of you on this thread who worked on decoupling electric utility rates in the 1980's; in the 1970's Californians used about the same amount of electricity per capita as the average American did, today Californians consume roughly 50% of the electricity per capita. That has been a net savings of billions of dollars per year in utility rates and a conservation record almost unequaled in the country. We could do the same with water, but decoupling would have to be tied to the same sort of strict conservation measures and payments for implementing water efficiency. We recently studies leak loss in a few selected Sierra Nevada water systems and found astounding numbers, in some cases 30% loss in the system, but system operators lack the funding to plug the leaks when they know where they are. Huge savings and job creation could come just from replacing aging and inefficient infrastructure.

[Diane B.](#) (to) [Steve Frisch](#) • [3 hours ago](#)

Prop 1 and the State Revolving Fund can provide grants and loans to pay for such infrastructure improvements, which I agree are desperately needed.

[Bill Altmann](#) • [a day ago](#)

I heard nothing in the report about conserving water outside urban areas. The vast majority of water usage is for industry and agriculture. What is Ms. Marcus doing about that? And, what about the cities (like the state capital, Sacramento) where homes are not even metered for their water usage?!

[Craig Miller, KOED](#) (to) [Bill Altmann](#) • [a day ago](#)

We focused on urban water conservation in this interview because that's the target of the most recent actions by Marcus' board. Yes, agriculture uses far more water than cities -- the ag share ranges from about 40% to more than 70%, depending on how you're doing the calculation. We have given extensive coverage to that and will continue to do so. Scroll through our Drought Watch page and you'll find plenty.

<http://blogs.kqed.org/science/...>

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# San Pablo: Doctors Medical Center board to decide whether to close or hang on a few more weeks for a possible rescue

By [Tom Lochner tlochner@bayareanewsgroup.com](mailto:TomLochner@bayareanewsgroup.com)

Posted: **03/25/2015** 07:14:35 AM PDT Updated: about 3 hours ago

SAN PABLO -- A decision whether to begin an orderly shutdown of Doctors Medical Center, or continue operations for a while longer, could come this week.

On Thursday, the board of the West Contra Costa Healthcare District, which owns the financially struggling community hospital, will receive updates on finances and any late rescue proposals.

The board also will vote whether to formalize the second phase of a real estate deal with San Pablo.

On March 11, in a first phase, the board approved selling to the city for \$2 million a 2.5-acre slice of the hospital campus currently leased to the adjacent Lytton Rancheria casino for parking.

On Thursday, the board will consider selling the city two medical office buildings with parking, and a condo apartment, all on the north side of Vale Road, across from the campus.

District officials have pegged the total cash value of the combined deal at \$7.5 million, but have said it is worth \$11.9 million because the lot used by the casino is encumbered with a 20-year easement for which the Lytton Rancheria paid \$4.6 million upfront last year; San Pablo is absorbing the \$4.4 million liability of the outstanding term of the easement.

At the conclusion of Thursday's meeting, the board will decide how to use the proceeds of the sale and whether to continue operations for a few more weeks or begin an orderly shutdown, a process that could take six months and cost \$4 million to \$6 million.

The meeting will begin at 4:30 p.m. in the hospital auditorium, 2000 Vale Road, San Pablo.

Contact Tom Lochner at 510-262-2760. Follow him at [Twitter.com/tomlochner](https://twitter.com/tomlochner).

# Steep water rate increases eyed for EBMUD customers

By Denis Cuff [dcuff@bayareanewsgroup.com](mailto:dcuff@bayareanewsgroup.com)

Posted: 03/24/2015 01:17:14 PM PDT Updated: about 4 hours ago

OAKLAND -- The worsening drought is spurring the East Bay's largest water supplier to consider slapping a 25 percent surcharge on customers' bills -- on top of an 8 percent general rate increase.

The East Bay Municipal Utility District proposed the 8 percent permanent increase Tuesday largely to cover the cost of accelerating replacement of aging pipes. The district needs that increase, drought or no drought, officials said.

A larger temporary increase of up to 25 percent, officials said, is needed to cover drought costs -- including some \$55 million to deliver an emergency supply from the Sacramento River.

The latest meager reading from the Sierra snowpack is increasing the odds the East Bay district will need the surcharge, instead of less severe options, officials said.

## Water rate increases on the table

Here are the most severe water rate increases being considered by EBMUD for July 1. Rates are for single family homes, and charges would differ depending on consumption levels.

Usage Level and percentile	Gallons used		Monthly bill		Change	
	per day	per month	2014-15	2015-16**	Amount	%
Low 25	98	2,992	\$29.07	\$34.06	\$4.99	17%
Median 50	172	5,236	\$37.80	\$45.10	\$7.30	19%
High 75	295	8,976	\$55.80	\$70.35	\$14.55	26%
Higher 95	738	22,440	\$132.08	\$183.79	\$51.71	39%
Highest 99	1,476	44,880	\$264.68	\$383.59	\$118.91	45%
<b>Average*</b>	246	7,480	\$48.60	\$60	\$11.65	24%

\*About 2/3 of EBMUD single family residential customers use the average or less

\*\* Reflects both proposed base rate increase and proposed drought surcharge

Source: EBMUD

BAY AREA NEWS GROUP

"Our supply outlook is grim," said Abby Figueroa, a district spokeswoman. "Until the overnight storm, there was no snow at Caples Lake in our watershed, and we normally have 6 feet at this time of year."

The storm dropped a meager 3 inches of snow in the district's Mokelumne River basin. The Sierra foothills area supplies the main water source for the 1.3 million EBMUD water users in Alameda and Contra Costa counties.

The water board is expected to vote June 9 on the rate increase and surcharge. It would go into effect July 1.

The drought surcharge will not be a uniform increase for all households because it is structured to be more severe for high water users, and less severe for low water users.

Under the most severe option for a 25 percent surcharge, the monthly bill would increase from \$48.60 to \$60 a month -- an increase of \$11.40 -- for an average district household consuming 246 gallons per day. That is a 24 percent increase.

The bill for a household using 748 gallons per day would go up more sharply, from \$132.08 to \$183.79 per month. That is an increase of 39 percent.

The bill for a household using 98 gallons per day would increase from \$29.07 to \$34.06 a month, a 17 percent increase.

The more customers use, the more the bill would increase, as the drought surcharges would apply only to water volumes used -- the major but not only part of water bills, district officials said.

In a related drought action Tuesday, EBMUD General Manager Alexander Coate recommended the district ask customers to cut back water use 20 percent, an increase from the current 15 percent goal.

Water board members were receptive to the 20 percent target, but there may be some board differences about details of the rates and charges.

District managers proposed that overuse penalty fees be assessed on households that use more than 1,476 gallons per day.

Water board members Directors Marguerite Young, of Oakland, and Andy Katz, of Berkeley, said they want a more restrictive policy that would start to penalize households long before they reach 1,400 gallons a day. Katz suggested half that amount -- about 700 gallons -- is an appropriate place to draw the line for assessing overuse penalties.

The water district has tentatively set April 15 as the date to send out written notices to customers of proposed changes in rates and charges.

Contact Denis Cuff at 925-943-8267. Follow him at [Twitter.com/deniscuff](https://twitter.com/deniscuff).

# Kensington police board settles long-standing suit with residents

By Thomas Peele [tpeele@bayareanewsgroup.com](mailto:tpeele@bayareanewsgroup.com)

Posted: 03/25/2015 06:48:29 AM PDT Updated: about 4 hours ago

KENSINGTON -- The town's police and community service board unanimously agreed Tuesday night to settle a lawsuit with a group of residents from whom it was seeking legal fees after a messy and divisive effort to roll back a raise given to the police chief in 2012.

"All parties regret the long and unpleasant nature of this litigation and how it affected both the board members named in the lawsuit and the other individuals involved," said board member Pat Gillette, reading from a statement both sides agreed on.

"Both sides desire to move on," she said, "and hope that the community can come together."

The town will receive \$21,000 and an additional \$4,000 toward the cost of a mediation session where the deal was reached. It had been seeking \$159,000 after a state appeals court threw out the residents' claims. Open government proponents have described the board's efforts as an attempt to stifle dissent.

The residents had offered \$900 prior to mediation. Board members claimed their actions were about recouping tax dollars used to defend the original suit.

The residents' attorney, Karl Olson, said the joint statement read by Gillette would be their only comment Tuesday.

The group of residents sued the board in 2012, also naming three board members as individual defendants, attempting to stop a three-year contract containing a raise and bonus for Police Chief Greg Harman.

But Harman is now on his way out after the board decided last month to cut off negotiations for another contract with him after public outcry over his handling of an internal investigation of Sgt. Keith Barrow, whose gun and badge were stolen from his Reno hotel room after an encounter with a prostitute.

Barrow remained on duty for nearly eight months before Harman imposed an unspecified suspension as punishment.

A recently released Reno Police report of the incident states Barrow told police he had been "drinking heavily" with other Kensington officers. Surveillance photos released by Reno police show Barrow and the prostitute walking through a casino lobby toward elevators and then exiting on the floor where he had a room.

Barrow went to Reno police headquarters three hours after discovering the theft but would not give investigators a written statement. Police recovered the gun the next day when Taylor's pimp accidentally shot himself with it.

But Tuesday night, at least one controversy concerning the police was over, and some people broke into applause when the settlement was announced. Gillette also expressed relief.

"Everyone is calling it quits," she said.

Contact Thomas Peele at 510-208-6458. Follow him at [Twitter.com/thomas\\_peele](https://twitter.com/thomas_peele).

# The Modesto Bee

modbee.com

## Commission rejects cities' demands, OKs farmland formula

BY GARTH STAPLEY - GSTAPLEY@MODBEE.COM

03/25/2015 9:32 PM | Updated: 03/25/2015 10:43 PM

The fight against urban sprawl notched a narrow victory Wednesday, despite objections from seven of Stanislaus County's nine cities.

The 3-2 vote by leaders of a growth-guiding agency simply defined one way cities can choose to help preserve farmland, but was seen by cities as an affront to their land-use authority.

The decision set a formula for figuring how much money cities can charge developers when paving over farmland for houses or other buildings. The money can be banked to eventually buy farm conservation easements somewhere else in the county, preserving one agricultural acre for each one developed.

The Modesto City Council called a special meeting earlier Wednesday to confront the formula, already opposed by Ceres, Riverbank, Oakdale, Patterson, Newman and Waterford. The issue divided Modesto leaders, who decided on a 4-2 vote to join the others; Mayor Garrad Marsh and Councilwoman Jenny Kenoyer voted "no," and Councilman Tony Madrigal was absent.

The debate before the Stanislaus Local Agency Formation Commission was just as spirited Wednesday evening. "We don't need to get into a divisive, rancorous debate," said Tom Hallinan, an attorney representing several cities. He urged commissioners to table the matter and allow staff members to talk out differences with city and county administrators.

Several city managers approached the rostrum to formally object to the proposed formula. Some asked for a delay, and some said the methodology would artificially drive up values. "You're putting a gun to the head of the developer, forcing him to buy something. That's not a free market," said John Beckman, chief executive officer of the Building Industry Association of the Greater Valley.

Commissioners voting with the majority said cities, all of which agreed with an underlying farmland

preservation policy when LAFCO approved it in 2012, apparently misunderstood aspects of Wednesday's amendment.

For example, cities can choose other means of saving farmland, such as having voters adopt urban limits. Newman did just that last year, and Modesto voters soon will confront such an initiative.

LAFCO is composed of two elected officeholders from cities and two from the county, plus one person representing the public at large. Currently, the latter is Brad Hawn – a former Modesto councilman.

Hawn favored a delay, as requested by the seven cities, and Turlock Councilwoman Amy Bublak was even more strongly in the cities' corner. Opposing were county Supervisors Jim DeMartini and Terry Withrow.

But the other city representative – Matt Beekman – is mayor of Hughson, one of the two cities that did not oppose the formula; the other was Turlock. Hughson's formal anti-sprawl policy, requiring that builders pay to set aside two agricultural acres for each acre developed, is considered among the most progressive in these parts.

Beekman said Wednesday's vote was merely LAFCO's attempt to provide guidance on appropriate pricing, and he sided with DeMartini and Withrow. The formula requires fees equal to 35 percent of average prices in five comparable land sales, plus a 5 percent endowment. Currently, that's about \$7,305 per acre.

"We're not trying to gouge any developers out there," DeMartini said. "If they can get (land) for nothing or a low amount, that's fine – just show us how you do it. If you don't like it, do something else."

## Board votes to close Doctors Medical Center in April

Updated: 03/27/2015 08:30:36 AM PDT

ContraCostaTimes.com

- Mar 27:
- [Contra Costa Times editorial: Health care system let down Doctors Medical Center](#)
- Mar 26:
- [Document: Doctors Medical Center Chronology](#)
- Mar 6:
- [Document: Letter to Bay Area billionaires to save Doctors Medical Center](#)
- Feb 22:
- [San Pablo: Doctors Medical Center supporters make appeal to Bay Area billionaires](#)

SAN PABLO -- The West Contra Costa Healthcare District board voted Thursday to close Doctors Medical Center in less than four weeks, after years of financial losses and unsuccessful attempts to find a sustainable way to keep it open.

The closure is slated to begin April 21, to give officials time to vet a late-inning proposal by a self-described hospital turnaround specialist with a mixed track record.

The board initially faced two choices: an orderly closure, beginning on April 14, or to keep the hospital open for a while longer with the help of some of the proceeds of a \$7.5 million sale of district-owned real estate to San Pablo.



*Doctors Medical Center in San Pablo, 2014.*

But after Larry Anderson, an entrepreneur, consultant and former CEO of a San Diego-area community hospital, pitched a "turnaround plan" that elicited much skepticism from board members, the board nevertheless agreed to postpone the onset of the closure after dozens of speakers urged them to allow no opportunity to save the hospital to go by.

The one-week postponement will cost the district about \$500,000.

An orderly closure -- meaning one in which payroll, accrued vacation payouts and vendors' and contractors' bills are paid -- would take about six months and cost about \$5.3 million dollars initially. Other cash needs such as unemployment and workers' compensation claims and health insurance premiums that come due in the ensuing three months would be paid from ongoing collections of accounts receivable.

The hospital's financial problems started in the 1990s, a fact officials blame largely on low reimbursement rates for Medi-Cal and Medicare patients, who constitute about 80 percent of DMC's patient mix. An additional 10 percent are uninsured, and another 10 percent are commercial patients.

In 1997, the hospital contracted with Tenet Health Systems, a private operator. In 2004, after years of financial losses, Tenet pulled out, and operation reverted back to the health care district. A \$52-a-year parcel tax approved by voters in 2004 raised about \$5.6 million a year, not enough to stanch the operating losses, and in 2006, the district filed for bankruptcy protection.

Once out of bankruptcy, hospital managers instituted an array of cost-saving efforts. But even with periodic

infusions of cash from the state and county and other health-care providers, combined with borrowing against the future receipts of the first parcel tax, and the passage of a second parcel tax in 2011 to raise \$5.1 million a year, the hospital still ran at an \$18 million annual deficit at latest count.

DMC opened as Brookside Hospital in 1954, but its origins go back to the creation of the West Contra Costa Healthcare District in 1948.

The mood Thursday in the packed-to-capacity hospital auditorium was initially mostly mournful, as many of the residents and employees in attendance expressed resignation that the hospital's board had exhausted all of its fundraising options. But many speakers also expressed anger, blaming officials at many levels of government -- federal, state, county and health care district, as well as the health care system in general -- for running the hospital into the ground.

Later in the meeting, many expressed hope that Anderson's purported plan could somehow save the hospital. Details of the plan, the latest version of which Anderson apparently communicated to the district earlier on Thursday, were not publicly known, but Anderson assured the board that several million dollars was secure and ready to be put in escrow.

Officials said after the meeting that they should know by next week whether there is any substance to Anderson's plan.

Anderson was credited in 2013 by Becker's Hospital Review, an industry publication, with leading Tri-City Medical Center, a San Diego-area community hospital, "away from two fiscal years of losses to a running streak of positive margins, every month since July 2010, ending FY 2011 with \$15.2 million in profit."

Five months later, in October 2013, the board of the Tri-City Healthcare District, which administers the namesake hospital, fired Anderson, accusing him of pressuring the former CFO to misstate financial reserves, according to a report in the San Diego Union-Tribune.

The board also accused Anderson of spending Tri-City money to investigate the mayor of Carlsbad regarding matters unrelated to district business, and making inappropriate payments to a company contracted by the district to build a medical office building, the Union-Tribune reported. Anderson issued a blanket denial of the accusations, which were contained in the board's letter of termination, the newspaper reported.

Earlier this month, Anderson told a reporter that he had not seen the Union-Tribune report and that he does not make comments in the newspaper.

Contact Tom Lochner at 510-262-2760. Follow him at [Twitter.com/tomlochner](https://twitter.com/tomlochner).

## DOCTORS MEDICAL CENTER CHRONOLOGY

1948 Hospital District formed by West County voters

1954 Brookside Hospital opens

### **DMC HAS BEEN FINANCIALLY CHALLENGED SINCE THE 1990'S**

1994 Hospital District converts to West Contra Costa Healthcare District (WCCHD)

1997 Brookside Hospital affiliates with for-profit Tenet Health Systems to operate the hospital and renames it Doctors Medical Center (DMC)

2004 **Tenet sustains financial losses** and is unable to profitably operate the hospital after making substantial investments, including attempts to improve the payor mix, **and terminates affiliation** and returns operation of the hospital back to the Healthcare District (with hospital losing money, no cash and without a management team)

Nov 2004 **Voters pass Measure D** by 84% margin to assess a parcel tax of \$52/year to raise approximately **\$5.6 million/year**.

- Proceeds of new tax used to secure **\$26 million in long-term financing/debt** to support hospital operations and make necessary investments in the hospital and its equipment.

2005 DMC sustains \$23 million in operating losses in 2005 and consumes much of the cash reserves created by the 2004 financing.

Feb 2006 DMC closes Inpatient Burn Unit to stem losses.

Sept-Nov 06 Emergency Department goes on ambulance diversion for 6 weeks.

Oct 2006 DMC sustains \$35 million in operating losses in 2006 and WCCHD files for Chapter 9 bankruptcy protection.

Oct 2006 DMC closes Obstetrics Department to stem losses and closes Pinole campus.

Oct 2006 At Supervisor John Gioia's urging, the **Contra Costa Board of Supervisors approves a Recovery Plan** for the hospital that includes the establishment of a Joint Management Agreement between WCCHD/DMC and the County, and establishes a process to transfer **\$10 million from Contra Costa County** to the State which was **matched by the Federal Government (additional \$10 million)** to provide enhanced Medi-Cal payments to DMC resulting in **\$20 million cash infusion** to keep DMC open. Funds used to support payroll/operating expenses.

- Dec 2006 WCCHD Board approves Wellspring Management Services (hospital turnaround consultants) contract to assess DMC's financial situation and develop a sustainable business plan.
- Feb 2007 First meeting of the new DMC Management Authority JPA Board occurs
- March 2007 JPA Board approves amendment to Wellspring Contract to provide assistance to implement "quick-fix" **initiatives relating to billing and collections, which improved cash flow by more than \$2.5 million.**
- Spring 2007 Replace DMC management with interim management team through Wellspring (CEO, CFO, Chief Nursing Officer/Chief Operating Officer, Controller, HR)
- During 2007 DMC negotiates **improved reimbursement contracts** with managed care payors (health insurance companies) for an **annual benefit of \$2.9 million.**
- July 2007 WCCHD and JPA Boards approve business plan presented by Wellspring. JPA Board approves amendment to Wellspring contract to begin the 90-day first phase of implementation of the initiatives in the new business plan.
- Aug 2007 Wellspring begins implementing following **initiatives to yield savings of \$9.7 mil.**
- Revenue Cycle – improve billing/collections by redesigning revenue cycle process and implementing new denial management process
  - Labor – right size staff with hospital volume and need, including improving staffing productivity, implementing control and productivity systems, and redesigning staffing approach
  - Non-Labor – renegotiate pricing arrangements with health insurance companies to bring in line with industry standards and current DMC cost structure and renegotiate vendor contracts to get better pricing on products and services.
- Aug 2007 County Health Officials, Supervisor John Gioia, DMC CEO, and local legislators work to get California Medical Assistance Commission (**CMAC**) to **award \$5 million Distressed Hospital Funding** to DMC.
- Nov 2007 JPA members Supervisor John Gioia and Pat Godley (CFO of Contra Costa Health Services) make presentation to CMAC in Sacramento regarding need for additional state funding to compensate DMC for unreimbursed indigent care costs and unreimbursed Medi-Cal costs.
- Dec 2007 **California Medical Assistance Commission (CMAC) votes to provide DMC with \$36 million** in funding (\$12 million per year for 3 years)
- Jan 2008 JPA Board approves DMC operating budget, which **reduced deficit from over \$30 million to \$18 million per year.**

March 2008 Hospital leadership, Supervisor John Gioia, WCCHD Director Eric Zell, and Congressman George Miller **work with Bankruptcy Court Creditors' Committee to reach a settlement of the \$18 million in creditor debt.**

#### **WITHOUT OUTSIDE FUNDING, DMC DOES NOT EMERGE FROM BANKRUPTCY**

April 2008 County Health officials Dr. Bill Walker and Pat Godley, Supervisor John Gioia, WCCHD Director Eric Zell, and Hospital Leadership work with Kaiser and John Muir Health Systems for multi-year funding commitment.

- **Kaiser announces \$12 million grant** (\$4 million/year for 3 years)
- **John Muir announces \$3 million grant** (\$1 million/year for 3 years)

April 2008 DMC files plan with U.S. Bankruptcy Court to emerge from bankruptcy with Creditors' Committee recommending approval of the plan by the Court

Aug 2008 U.S. Bankruptcy Court approves plan for DMC to emerge from bankruptcy and calling for payments to creditors over a 3-year time period of \$12 million.

January 2011 DMC CEO Joe Stewart resigns and interim management brought back.

Spring 2011 Change in state rules governing allocation of inter-governmental transfers by California Medical Assistance Commission (CMAC) results in **decreased funding from CMAC to DMC from \$12 million/annually to \$1.2 million.**

March 2011 DMC unable to meet payroll and **County Board of Supervisors approves \$10 million cash advance** to DMC for operations. Advance requires repayment from WCCHD's ad valorem tax.

July 2011 **Regional Planning Initiative is established to explore options**

- Participants – DMC, Contra Costa Health Services, Kaiser, John Muir Health
- Scope of study - Explored options for: (1) outside funding to close operating deficit on a permanent basis; (2) changes in structure and nature of services provided to find a more sustainable service delivery model; (3) potential lease/sale of the hospital; (4) development of a "legacy plan" in the event DMC is unable to remain open as a full-service hospital.
- Conclusions: Other health care models including freestanding emergency department, downsized 50 bed hospital, urgent care, and partnering with long-term care provider to lease excess capacity all continued to have substantial losses.
- Outcomes: Identified immediate initiatives to secure time to implement a longer term strategy which included: (1) Additional expense reductions; (2) new parcel tax; (3) additional debt financing; (4) multiple proposals to the State.

- Fall 2011 DMC management **negotiates reduction of \$1.2 million in past due amounts with vendors.**
- Oct 2011 **SB 644** (sponsored by Senator Loni Hancock) signed by Governor Brown. SB 644 provides certainty to a future lender and enables DMC to borrow \$20 million to continue operating while continuing to develop a sustainable model. SB 644 creates a statutory lien against the Healthcare District's 2004 parcel tax revenue so that the terms of a future loan to DMC cannot be modified by a bankruptcy court.
- Nov 2011 Supervisor John Gioia and WCCHD Director Eric Zell co-chair Measure J Parcel Tax campaign. **Measure J (\$47/year parcel tax) passes** with 74% support raising approximately **\$5.1 million/year**. Measure J contains "sunset clause" providing that the tax is no longer collected if the hospital and emergency room close.
- Nov 2011 Governing Board approves budget with additional **\$6 million in cost reductions** recommended by hospital management.
- Dec 2011 Hospital management finalizes **additional debt financing of \$40 million** to support operations.
- 2011 DMC management puts in place a line-of-credit with a healthcare finance lender.
- 2011 **Kaiser provides an additional one year funding grant of \$4 million** and DMC develops a line-of-credit to provide ongoing operational funding support.
- 2011 DMC officials **meet with state elected officials and state health officials seeking support to increase Medi-Cal reimbursement rate.** Efforts are unsuccessful.
- Jan 2012 **Hospital management launches national effort to find a strategic partner.**
- Spring 2012 DMC hires national healthcare consultant, Camden Group, which makes contact with over 2 dozen organizations (including UCSF, Stanford, Dignity Health, Sutter, Kaiser and many more) to pursue health care partnerships with the hospital. Only one entity (Avanti Hospitals) expresses serious interest. After due diligence and discussions, Avanti decides, in early 2013, not to move forward with DMC.
- Spring 2013 **Contra Costa County starts discussions with UCSF Medical Center** about possible affiliation between UCSF, Contra Costa Health Services and DMC. Discussions end in early 2014 with no affiliation agreement.
- 2012-2013 DMC works with Camden Group (retained in Spring 2012) to develop strategic plan for hospital sustainability and to assist in finding a partner with whom DMC could either merge or affiliate with in order to gain economies of scale and to develop a sustainable business model. Plan identified immediate savings measures but concluded that DMC was not sustainable as a freestanding hospital and needed a partner for long-term sustainability.

- April 2013 **Medicare payments cut by more than \$3 million/annually** as part of the Federal Budget sequestration.
- 2012-2013 **DMC works to find a skilled nursing/rehabilitation service provider to rent excess unused inpatient hospital space.** Effort unsuccessful.
- 2012-2013 **DMC continues to institute strategies to save money and increase revenue:**
- Renegotiates better reimbursement rates with insurance companies
  - Improves billing and collection practices
  - Reduces management staffing by 19%, saving nearly **\$600,000 annually**
  - Streamlined staffing, making DMC one of the most efficient hospitals in the Bay Area
  - Renegotiates physician contracts, saving **\$1 million annually**
  - Renegotiates vendor supply costs to save money
  - Makes significant changes in health benefits structure for unrepresented employees to save money
  - Eliminated the self-insured employee benefit program, which reduced costs and eliminated financial risk.
- July 2013 **Contra Costa Board of Supervisors approves \$9 million cash advance** to DMC to support operations. Advance requires repayment from District's ad valorem tax.
- Nov 2013 **Hospital Governing Board declares fiscal emergency** because of projections it will run out of cash in May 2014. Factors leading to emergency: Since 2010 -- DMC lost \$17 million/year in outside state and hospital support, DMC experienced 14% decline in operating revenues and 22% decline in inpatient volume through loss of commercially insured patients to privately owned medical facilities, and DMC used up its \$40 million in debt financing obtained in 2011. DMC's average reimbursement per patient per day is 57% lower than average for East Bay hospitals.
- Nov 2013 DMC submits written funding request to Kaiser
- 2014 **Affordable Care Act results in \$2.8 million per year net decrease in revenues** for DMC (lower Medicare reimbursement rate under ACA more than offsets slight increase in revenue due to lower number of uninsured patients)
- 2014 **DMC makes funding appeals to Hospital Council** of Northern and Central California including Kaiser, Sutter and John Muir Health System. Efforts unsuccessful.
- 2014 **DMC makes funding appeals to corporations** (including Chevron, Republic Services, Mechanics Bank), **foundations** (including California Endowment, San Francisco Foundation, and Gates Foundation Global Health Initiative), and **local governments** to support hospital. Efforts unsuccessful.

- 2014 Throughout 2014, DMC officials continued to reach out to potential investors and hospital operating firms in search of a potential partner. None were willing to pursue discussions beyond an introductory meeting.
- 2014 **DMC management and CEO work with Touro University** to establish a partnership/affiliation that would bring in revenue to DMC. Effort unsuccessful.
- Spring 2014 Supervisor John Gioia and WCHD Director Eric Zell co-chair June **Measure C Parcel Tax campaign to fully fund DMC's \$20 million operating deficit.** Measure receives 52% support and **does not achieve 2/3 vote required to pass.**
- Spring 2014 **DMC officials work with Congressman George Miller's office to develop potential partnership with the Veterans Administration.** Efforts unsuccessful after VA indicated that their need for inpatient beds was not significant enough to require additional beds for their system. Also, this VA region does not qualify for VA reimbursement to be paid to non-VA hospital providers.
- Spring 2014 After attempting to receive a charitable contribution from the Lytton Tribe, DMC is successful negotiating a **lease agreement with the Lytton Tribe to receive upfront payment of \$4.6 million** for the long term use of DMC parking lot. Approved by Healthcare District Board in May 2014.
- June 2014 Contra Costa Board of Supervisors approves Supervisor Gioia's proposal to conduct a public opinion poll to gauge voter support for a one-quarter or one-half cent countywide sales tax for public safety and health services (including funding for DMC). **Poll results show it would be very difficult to pass a countywide sales tax.** Proposal does not move forward.
- June 2014 **Contra Costa Board of Supervisors approves \$6 million cash advance** to DMC to support operations and provide more time for DMC to explore options for sustainability. Advance requires repayment from District's ad valorem tax.
- June 2014 **Regional Planning Initiative** (stakeholder group led by County Health Director Dr. Walker) established to explore previously studied options (in 2011) for future health-care service options: smaller full-service hospital, freestanding ER, and urgent care center. Participants include Hospital Council of Northern and Central California (including Kaiser, Sutter, John Muir Health Systems), DMC, Contra Costa Health Services, Alameda/Contra Costa Medical Association, Life Long Medical Care, with participation of California Department of Public Health official.
- Summer '14 **DMC works with state legislators and California Department of Public Health (DPH) officials seeking authorization for operating a freestanding emergency room** (satellite emergency room to Contra Costa County Hospital). DPH concludes that existing state law does not authorize freestanding emergency rooms in California and that new statutory authority is required to do so.

- Aug 2014     **DMC Emergency Room closes to 911 ambulances.** Stays open to walk in patients.
- Sept 2014    **Regional Planning Initiative Stakeholder Group issues interim report which concludes that the following health care models are unsustainable** -- (1) a smaller full service hospital under either the County license or DMC license; (2) 24-hour satellite emergency department (while incurring a smaller operating loss than existing hospital) was not allowed under state law. Report also found that seismic costs for a new hospital to meet state standards would cost nearly \$200 million.
- Fall 2014    **DMC officials work with state legislators to achieve “public hospital” designation in order to potentially qualify DMC to receive higher Medi-Cal reimbursement rates.** The Center for Medicaid Services of the U.S. Department of Health and Human Services would still need to approve any reimbursement rate changes. Assemblymember Nancy Skinner and Senator Loni Hancock carry AB 39 to designate DMC a “public hospital” under state law and provide \$3 million in one time state funding to DMC. **Only one time allocation of \$3 million to DMC passes in SB 883** (the budget bill).
- 2014         **DMC continues to implement strategies to reduce expenses:**
- Closes San Pablo Towne Center facility
  - Reduces staff
  - Terminates Sodexo Contract for management of housekeeping, dietary and maintenance services.
  - Eliminates self-insured employee health plan
  - Successfully negotiates with Local One union for benefit changes
- Oct 2014    **Richmond City Council conditionally approves providing \$5 million** in funding to DMC **for 3 years**, totaling **\$15 million**, from the Chevron Community Benefit fund contingent on other funding/savings to the hospital of approximately \$13 million/year. Matching funds from other sources have not materialized and no money is available from Chevron until all legal challenges to their modernization project are resolved.
- Nov 2014    **DMC Governing Board supports 5 X 8 Shared Commitment Plan** developed by Healthcare District Boardmembers Eric Zell and Irma Anderson to retain full service hospital, with the following eight funding goals to keep hospital open for five years:
- New parcel tax (\$5 to \$8 million/year)
  - County debt repayment forgiveness (\$3 million/year)
  - Debt support from other local hospitals (Kaiser, Sutter, John Muir) (\$3 to \$4.3 million/year)
  - Continuing operating efficiencies (\$1 to 2 mil/year)
  - Employee savings (\$4.5 to \$7 mil/year)
  - City of Richmond Chevron Community Benefit fund (\$15 mil over 3 years)
  - Training program/residency partnership (\$500,000)
  - Reinvigorated DMC Foundation (\$500,000 to \$1.5 million)

- Dec 2014 **DMC loses its accounts receivable financing** with Gemino Healthcare Finance due to concern for future risk of repayment.
- Dec 2014 **Contra Costa Board of Supervisors approves** proposal by Supervisor Gioia to: (1) **permanently waive DMC’s repayment to the County of \$3 million/year** for 3 years (**\$9 million total**) conditioned upon DMC receiving \$15 million/year (for 3 years) in other funding pursuant to the 5 X 8 Plan for a full-service hospital; and (2) temporarily suspend DMC’s December 2014 and April 2015 repayments to the County totaling **\$3 million**.
- Dec 2014 **Regional Planning Initiative Stakeholder Group issues final report** confirming conclusions of the September 2014 Interim Report with additional conclusions on urgent care. Report noted that about 11% of DMC emergency room patients require hospital admission. The report concluded that an urgent care facility would incur a much smaller operating loss than the existing hospital or a freestanding emergency department. Losses would be further reduced if the center qualified as a Federally Qualified Health Center (FQHC). The report concluded that while none of the alternatives evaluated by the Stakeholder Group break even financially, “an urgent center with FQHC status offers the best long-term opportunity to become self-supporting.” Report also concluded that “connecting patients to more appropriate primary care services and providing assistance to manage their health would reduce the demand on regional emergency rooms.”
- Jan 2015 **DMC Governing Board hears 4 proposals** (3 private proposals and one from City of San Pablo) to provide funding to DMC. 3 private proposers fail to deposit good faith money demonstrating financial capacity.
- Feb 2015 DMC commissions public opinion poll to measure West County voter support for a parcel tax to partially fund DMC’s operating loss. **Results show that support at \$50, \$100 or \$150 per parcel remain well below the required 2/3 vote needed to pass.**
- Feb 2015 DMC issues WARN letter announcing that it “will be closing and/or reducing certain of its services” on or after April 14, 2015.
- March 2015 **Healthcare District Board negotiates and approves real estate transaction to sell the District’s Vale Rd. medical office buildings and condominium,** and part of its hospital parking lot (the part subject to the long term lease to the Lytton Tribe) to the City of San Pablo for \$7.5 million in cash and \$4.4 million in debt reduction for a total value of **\$11.9 million**. Infusion of cash avoids immediate closure by end of February 2015.
- March 2015 Healthcare District Board and Governing Board meet to determine how to utilize \$7.5 million in cash from San Pablo sale to assure employee and physician expenses are covered due to lack of future sources of funding to sustain hospital operations.

## Contra Costa Times editorial: Health care system let down

### Doctors Medical Center

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- Mar 26:
- [Board votes to close Doctors Medical Center in April](#)
- [Document: Doctors Medical Center Chronology](#)
- Mar 6:
- [Document: Letter to Bay Area billionaires to save Doctors Medical Center](#)
- Feb 22:
- [San Pablo: Doctors Medical Center supporters make appeal to Bay Area billionaires](#)

The chairman of West Contra Costa's health care district board was exactly right Thursday night as directors voted to start shutting down Doctors Medical Center on April 21.

"This community is getting screwed at the end of the day by a system that has nothing to do with the people in this room," said Eric Zell.

Indeed, right up to the end, even though most have known for months that closure was inevitable, the quality of care has remained excellent and the cost of providing service has been well-controlled.

The hospital doesn't have an expenditure problem, it has a revenue problem. Hospitals like Doctors that serve primarily Medi-Cal and Medicare patients don't receive full reimbursement for the cost of care.

While the Affordable Care Act helped more Americans receive health services, it doesn't ensure everyone equal access. That wasn't a political option for President Barack Obama when he squeezed his compromise plan through Congress in 2010.

So, with few patients with private insurance, Doctors lacks a way to balance the shortfall from government-based coverage. That, more than anything else, explains why the hospital, financially challenged since the mid-1990s, has for seven years been unable to close an \$18 million-\$20 million annual operating shortfall.

The county, state and some other East Bay hospitals stepped up in years past to help close the gap. Then the health care district started floating bonds to cover ongoing expenditures, an irresponsible borrowing scheme that will burden future taxpayers for past operational costs.

It all finally caught up. The district is running out of cash and has run out of options. Every two weeks that it stays open adds roughly \$1 million to the debt.

None of this if fair. Not our health care funding system. Not the huge service hole that will be left in a heavily populated region. Not the debt that will haunt taxpayers until 2027.

Right down to the wire, hospital doctors and staff kept hoping for a savior. In respect for that, district directors set the closure date one week later than originally proposed to give a former Southern California hospital administrator another crack at putting together a deal.

This is the same guy who recently claimed he had a billionaire investor ready to save Doctors. That turned out to be a farce. The chances he'll now be able to come up with cash and a real plan that stops the

hemorrhaging are slim to none.

But, after all these years of struggle, directors will be able to say they exhausted every option.

## Barnidge: The only thing tougher than keeping DMC alive is letting it go

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A torrent of emotions, from anger to regret, flooded the hospital's auditorium, where a capacity crowd listened to the dire facts it didn't want to believe. An eight-page handout chronicled the succession of desperate efforts employed to keep the stand-alone hospital afloat.



*Doctors Medical Center is seen in San Pablo on May 7, 2014.*

There were parcel tax measures, advances against revenues, cash infusions, debt forgiveness, bonds and one-time gifts. Benefactors included the county, state and federal governments; Kaiser Permanent and John Muir Health; the California Medical Assistance Commission; even the San Pablo Lytton Casino. As recently as last year, DMC pried \$4.6 million from its next-door neighbor to lease hospital property as parking space.

Yet, after all the funding maneuvers and bare-bones cost-cutting measures -- plus a trip into and out of bankruptcy

-- Doctors Medical Center still is operating at an \$18 million annual deficit, with no turnaround in sight. Closure was the only way stop bleeding money, board Chairman Eric Zell said, on what he called a "very difficult and sad day for everybody in this room."

That did not quell the die-hards -- many of them nurses and doctors -- from pleading for one more chance.

"There must be a way to save this hospital," one woman implored.

"This is absolutely unfathomable," another said.

Over the course of a meeting that spanned nearly four hours, despair gave way to anger, as exemplified by Dr. Sharon Drager, a member of the hospital's governing body. She said funding for Contra Costa Regional Medical Center and its clinics should be shared with DMC.

"This hospital isn't dying; it's being murdered," she said. "It's being strangled and starved by cynical county officials who tell the community that a hospital with tertiary care services can be replaced by an urgent care center attached to a primary care clinic -- and by not sharing the largesse bestowed on them by the county."

County Supervisor John Gioia, a fellow governing board member seated to her immediate left, could be excused for feeling unfairly attacked. He's lobbied long and hard for DMC. He said there was no logic in pitting one hospital against another. But on a night fueled by emotions, logic was not in great supply.

While much of the meeting dealt with how and when to shut down -- DMC will need \$5.3 million to cover payroll, accrued vacation and vendor obligations if it closes soon -- there was one surprise. Larry Anderson, a self-described hospital-turnaround expert from San Diego, made a pitch to purchase DMC and turn it into a for-profit operation.

The eleventh-hour proposal, purportedly backed by \$3 million in pledges from local doctors and \$10 million from an unidentified investor, would entail hair-raising complexities, not the least of which is a special

election. Before a publicly held hospital can be sold to a private investor, it must go to a districtwide vote.

Zell was understandably skeptical but reluctant to dismiss even a last-gasp effort. At his urging, the board postponed a scheduled April 14 closure one week to vet the proposal.

"I'm not holding out hope," he said, "but I want to provide every opportunity I can."

The only thing tougher than keeping DMC alive is letting it go.

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