

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

August 10, 2016

Board of Supervisors Chambers
Martinez, CA

1. Chair Mary Piepho 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:

County Members Mary Piepho and Alternate Candace Andersen.

Special District Members Mike McGill and Igor Skaredoff and Alternate Stanley Caldwell.

City Member Don Tatzin. Member Rob Schroder arrived at 1:33 p.m.

Public Members Don Blubaugh and 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 Blubaugh, second by Tatzin, Commissioners, by a vote of 6-0, adopted the agenda.

AYES: Andersen (A), Blubaugh, McGill, Piepho, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M), Schroder (M)

ABSTAIN: none

5. Public Comments

There were no public comments.

6. Approval of July 13, 2016 Meeting Minutes

Upon motion of Andersen, second by Tatzin, the minutes were unanimously approved by a vote of 6-0.

AYES: Andersen (A), Blubaugh, McGill, Piepho, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M), Schroder (M)

ABSTAIN: none

7. LAFCO 16-02 - Detachment from the Byron Bethany Irrigation District (BBID)

The Executive Officer provided background on this proposal submitted by Contra Costa County to detach 480± acres from BBID located in two separate areas in Discovery Bay west. The subject areas comprise territory where BBID and the Town of Discovery Bay Community Services District (TODBCSD) boundaries overlap.

The areas proposed for detachment are within the SOIs of both BBID and the TODBCSD. Removal of these areas from BBID's SOI is not required, and presently there is no proposal to remove the subject areas from BBID's SOI in conjunction with the proposed detachment. If desired, a proposal to amend BBID's SOI can be submitted at a later time.

The County Board of Supervisors (BOS) adopted a tax transfer agreement providing that BBID's share of the annual property tax associated with the proposed detachment, which currently totals approximately \$685,000, would be allocated to the County. Further, the BOS directed its staff to prepare a second tax exchange agreement to allow the County to transfer, annually, the reallocated BBID tax revenue from the County to East Contra Costa Fire Protection District (ECCFPD), unless an application to initiate dissolution of ECCFPD is filed with LAFCO, at which point the property tax transfer from the County to ECCFPD would automatically terminate.

Prior to the July LAFCO meeting, Rick Gilmore, BBID General Manager, requested two amendments to the proposal. The first was to exclude from the proposed detachment the two BBID owned parcels that contain a BBID-owned pipeline. The two parcels are located at the western edge of the TODBCSD, and exclusion of the two parcels from the proposed detachment will not create an island or gap. The second request was that LAFCO detach these same two parcels from the TODBCSD, as the parcels do not require the TODBCSD's services.

Commissioners continued the public hearing from the July 13 meeting in order for the BBID proposed revisions to the original proposal to be publicly noticed. The revised proposal would exclude APNs 011-190-044 and -045 from the detachment of territory from BBID, and it would detach the same parcels from TODBCSD.

The Chair opened the public hearing. No one spoke, and the hearing was closed.

Upon motion of Blubaugh, second by Schroder, Commissioners unanimously, by a 7-0 vote, found the project exempt pursuant to CEQA Guidelines, Sections 15061(b)(3); approved the proposal to be known as Detachment from the Byron Bethany Irrigation District and Detachment from the Town of Discovery Bay Community Services District; determined that the territory being detached has no effect on BBID's or TODBCSD's authority to collect taxes for bonded indebtedness; found that the subject territory is inhabited, has less than 100% consent of the affected landowners, is subject to a protest hearing; and authorized LAFCO staff to conduct the protest proceedings.

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

8. Fire and Emergency Medical Services MSR/SOI Updates (2nd Round)

The Executive Officer provided brief background on this MSR, which encompasses an updated study of fire and emergency medical services provided by three cities and eight special districts. As of this time, the MSR report has gone through broad review, by the affected local agencies, the public and the Commission. In May, the Commission held its first public hearing where LAFCO staff and the consultants presented an overview of the MSR process, the report and significant findings as presented in the staff report. At that meeting, in addition to receiving comments from several members of the Fire/EMS community, Commissioners received a letter from the Executive Fire Chiefs' Association requesting that LAFCO delay final consideration of the MSR until the consultants could include in the report the impacts of CCCERA's recent decision to lower the rate of return on investments. The Commissioners agreed to a 90-day pause and directed that the Final Draft MSR be presented at this August 10th meeting.

As directed by the Commission, staff also, in that 90-day period, prepared an information piece summarizing the major MSR findings, and distributed it to cities, districts, the media, and other interested parties, encouraging the recipients to share this information in their communities.

The staff report provides a summary of the major findings contained in the MSR, dealing with growth and service demand, service levels, infrastructure needs, accountability and governance options. Included with the staff report is a draft resolution containing the determinations as required by the CKH.

The Chair thanked staff and the consultants for the comment log; Richard Berkson of the consulting team noted that the comments received were helpful.

Mr. Berkson pointed out that an independent board for ECCFPD will not generate more money for the district, but it will mean enhanced interface with the community. He also commented on the consultants' research into updated CCCERA information, and noted that the recently published 2015 report sets the base for FY 2017-18.

Commissioner Andersen, who also sits on the CCCERA Board, confirmed that letters to agencies will be sent out in October, and that they will not see an increase in rates in FY 2017-18 based upon the reduction in the rate of return, but may see a change because CCCERA adjusted actuarial mortality tables to reflect that people are living longer.

Mike Oliver, of the consulting team, reported that ECCFPD reopened a station on July 2nd with the funds provided by the County and the cities of Brentwood and Oakley. There will be a measure on the November ballot asking voters if they want the board to be composed of elected members. Additionally, both Brentwood and Oakley are considering utility user tax measures for the November ballot. These measures could be approved by a simple majority, and could help fund fire protection services.

Mr. Oliver reported that a fiscal stability analysis of RHFPD projecting revenues through 2020 revealed that the district's majority of fund reserves will be depleted by the end of FY 2016-17. Even with only one station, RHFPD will run about \$1 million short. The district is also considering a special (2/3-majority) tax measure for the November ballot. While RHFPD can work on a number of efforts that could help its fiscal situation (i.e., extension of FEMA SAFER grant, more development fees from the City of Hercules), they have a substantial year-to-year revenue shortfall that will continue unless they receive a new, reliable, ongoing source of revenue. The City of Hercules has numerous redevelopment obligations in addition to RHFPD, and unfortunately RHFPD comes far behind other agencies in amounts and priorities.

Mr. Oliver stressed his and the consulting team's belief that local government entities have responsibility to do what they can do to provide fire protection services to their residents. The adoption of appropriate fees that can be applied should be applied, and funding sources should be secured on an independent basis so that the State or some other agency cannot interfere, and the district's relationship with the community can be sustained.

In response to a question from the Chair regarding a residents' group (East County Voters, or ECV) advocating for a reallocation of Prop 13 rather than a new tax, Mr. Oliver stated that he knows of no legislation like this that has been successfully carried, and no reallocation of property tax that has occurred. In any case, the property tax is 1%, so it's a "zero-sum game"; an increase in one local agency's pro-rata share of the 1% will mean a decrease in another's allocation.

The Chair opened the public hearing.

Brian Kelly, of the consulting team, spoke on the wildland firefighting capability of the County: With the closure of 10 stations since the 2009 MSR, has there been any impact on this? Yes, but this actually reflects an overall lack of capacity to respond to emergencies of all sorts at peak times.

The Executive Officer read comments from Joseph J. Whitener, Bethel Island Fire Chief 1974-1995, who called the office. He has read both MSRs (2009 and 2016); he is concerned with a lack of service on Bethel Island (BI) – no fire station, no equipment, and no boats. They need a fire station on either BI or Hotchkiss Tract. He's not opposed to a special tax as long as it results in increased fire protection services to BI, which now has an ISO rating of 10 (it was five when he was BI Fire Chief). He is concerned with the way the ECCFPD Board is weighted toward the cities of Oakley and Brentwood, and suggested that BI should consider returning to a volunteer fire department model.

The Chair closed the public hearing.

There was a brief discussion among Commissioners regarding fire service to Shell and other refineries.

The Executive Officer drew Commissioners' attention to the chart showing SOI and governance options, as well as the SOI updates made as a result of the 2009 MSR (CSA EM-1, ECCFPD, MOFD, and SRVFPD; and a partial update to CCCFPD's SOI, excluding the west county portion). At that same time LAFCO deferred SOI updates for Crockett-Carquinez FPD, KFPD and RHPRD in anticipation of the formation of a West County Ad Hoc committee to develop a work plan to address west county EMS/fire issues, which never occurred. The three city SOIs were updated in conjunction with the West County sub-regional MSR. Staff is seeking direction from the Commissioners on 2016 SOI and governance options, particularly with regard to ECCFPD, RHFPD, CCCFPD, and the other west county agencies.

Following discussion on the options presented, staff was directed to consult with the fire chiefs for their input on the SOI and governance options and return with a report to the October 12, 2016 meeting.

The Chair thanked the public safety community and Municipal Resource Group for their work on this report.

Upon motion by Tatzin, second by Blubaugh, Commissioners, by a 7-0 vote, accepted the Final MSR Report; determined that the MSR project is categorically exempt pursuant to CEQA Guidelines §15306, Class 6; adopted the MSR determinations; and directed staff to notice a public hearing for October 12, 2016, at which time the Commission will consider the SOI updates.

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

9. Rollingwood-Wilart Park Recreation and Park District (RWPRPD) Special Study

The Executive Officer reported that the Commission's approved work plan includes preparing two special governance options studies – one relating to the West Contra Costa Healthcare District (WCCHD), and one relating to the RWPRPD. Both districts face ongoing financial and service challenges. Earlier this year, LAFCO entered into a contract with Berkson Associates to prepare the WCCHD study, which is currently underway. A Public Review Draft report will be released this month, and the Commission will receive an overview of the WCCHD study in September. Staff is proposing an amendment to the contract with Mr. Berkson, who has over 30 years of experience working with public agencies including this LAFCO, to prepare the RWPRPD study as well.

The final scope and timeline will be completed following the Commission's approval. The special study will take approximately four to five months to complete, and the cost is approximately \$18,000. Adequate funds are included in the FY 2016-17 budget.

Commissioner Tatzin suggested that the study be structured so that the Commission can have an early look at the options in order to direct Mr. Berkson to focus more of the study's resources on resolution of the issues.

Upon motion by McGill, second by Blubaugh, Commissioners, by a 7-0 vote, authorized the LAFCO Executive Officer to execute a contract amendment with Berkson Associates to prepare a governance options study for the Rollingwood-Wilart Park Recreation and Park District, which will extend the contract term from September 30, 2016 to February 28, 2017; and increase the total contract amount from \$25,000 to \$43,000.

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

10. Correspondence from CCCERA

There were no comments on this item.

11. Commissioner Comments and Announcements

Commissioner McGill reported that the CALAFCO Legislative Committee meeting scheduled for August 5 was cancelled. He also pointed out that the Little Hoover Committee (LHC) will be convening to study special districts, and that CALAFCO had sent an excellent response to the LHC's request for input.

Commissioner McGill also reported that he may miss the September meeting.

12. Staff Announcements

The Executive Officer drew Commissioners' attention to the disc containing the EIR for the Montreux project, which will be heard in September; provided updates on LAFCO-related legislation, which is awaiting the Governor's signature; and reminded Commissioners to submit their CALAFCO Annual Conference registrations and payments to staff.

The meeting adjourned at 2:29 p.m.

Final Minutes Approved by the Commission September 14, 2016.

AYES: Blubaugh, Glover, McGill, Piepho, Schroder, Skaredoff, Tatzin
NOES:
ABSTAIN:
ABSENT:

By  _____
Executive Officer