



NOTICE AND AGENDA FOR REGULAR MEETING

DATE/TIME: Wednesday, February 8, 2017, 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.

FEBRUARY 8, 2017 CONTRA COSTA LAFCO AGENDA

1. Call to Order and Pledge of Allegiance
2. Welcome New Commissioner and Roll Call
3. Adoption of Agenda
4. 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.
5. Approval of Minutes for the January 11, 2017 regular LAFCO meeting

BUSINESS ITEMS

6. *Knightsen Town Community Services District Update* – receive update regarding the District’s services and recent activities.
7. *Rollingwood Wilart Park Recreation and Park District (RWPRPD)* - accept the Final Draft RWPRPD governance options study and provide input and direction
8. *Fiscal Year 2017-18 Budget Schedule/Work Plan Preview* - receive FY 2017-18 proposed budget schedule and work plan preview and provide input
9. *2nd Round Healthcare Services Municipal Services Review (MSR)/Sphere of Influence (SOI) Updates* – review draft Request for Proposals (RFP), provide input and authorize staff to release RFP for consulting services to assist with the 2nd round Healthcare Services MSR/SOI updates

CORRESPONDENCE

10. Correspondence from Contra Costa County Employees’ Retirement Association (CCCERA)
11. SB 1266 Contra Costa LAFCO Memo to Local Agencies

INFORMATIONAL ITEMS

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

ADJOURNMENT

Next regular LAFCO meeting – March 8, 2017 at 1:30 p.m.

LAFCO STAFF REPORTS AVAILABLE AT http://www.contracostalafco.org/meeting_archive.htm

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MINUTES OF MEETING

January 11, 2017

Board of Supervisors Chambers
Martinez, CA

February 8, 2017
Agenda Item 5

1. Vice Chair Don Blubaugh called the meeting to order at 1:30 p.m.
2. The Pledge of Allegiance was recited.
3. The Executive Officer noted that Commissioner Candace Andersen had been appointed to complete the regular county member term vacated by Mary Piepho, and that new County Supervisor Diane Burgis had been appointed to complete the alternate county member term. She congratulated them both on their appointments
4. Roll was called. A quorum was present of the following Commissioners:

County Member Candace Andersen.

Special District Members Igor Skaredoff and Alternate Stanley Caldwell.

City Members Rob Schroder and Don Tatzin.

Public Members Don Blubaugh and Alternate Sharon Burke.

Present were Executive Officer Lou Ann Texeira, Legal Counsel Sharon Anderson, and Clerk Kate Sibley.

5. Approval of the Agenda

Upon motion of Tatzin, second by Schroder, Commissioners, by a vote of 6-0, acknowledged the removal of Item 9 (Informational Presentation) and adopted the agenda.

AYES: Andersen, Blubaugh, Caldwell (A), Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M), McGill (M)

ABSTAIN: none

6. Selection of Chair and Vice Chair

The Executive Officer reviewed the Commission's process for selection of officers, citing the Commission Handbook, which lays out a rotation determining which member is next in line for chair and vice chair.

Upon motion of Tatzin, second by Andersen, Commissioners, by a 6-0 vote, appointed Public Member Don Blubaugh Chair for the 2017 term.

AYES: Andersen, Blubaugh, Caldwell (A), Schroder, Skaredoff, Tatzin

NOES: none

ABSENT: Glover (M), McGill (M)

ABSTAIN: none

Upon motion of Tatzin, second by Skaredoff, Commissioners, by a 6-0 vote, appointed Special District Member Mike McGill Vice Chair for the 2017 term.

AYES: Andersen, Blubaugh, Caldwell (A), Schroder, Skaredoff, Tatzin

NOES: none

DRAFT

ABSENT: Glover (M), McGill (M)
ABSTAIN: none

7. Recognition of Outgoing Commissioner and 2016 LAFCO Chair Mary N. Piepho

Chair Blubaugh and all Commissioners present participated in reading the Resolution of Detachment recognizing Ms. Piepho's many achievements during her tenure with Contra Costa LAFCO.

Ms. Piepho was presented with the Resolution of Detachment and a compass pendant, after which she remarked that it has been an honor to represent the people of the County, and noted that there will be challenging issues and problems still to come before LAFCO, and there may be heavy work ahead, but that LAFCO is up to that challenge. She thanked Commissioners and staff for the opportunity to work with them.

8. Public Comments

Greg Staffelbach, a resident of the Mt. View unincorporated area of Martinez, spoke regarding the need for that area to be annexed into Martinez, as the area is surrounded by the City, and the Mt. View residents have no voice in City government. He took an informal survey of neighbors on his block and noted that there is 75% positive feedback for such an annexation.

9. Approval of December 14, 2016 Meeting Minutes

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

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

10. LAFCO 09-07 - Laurel Place/Pleasant View Annexation to the City of Concord

The Executive Officer provided brief background on this proposal, which was approved by the Commission in August 2015. One of LAFCO's conditions, as requested by Lenox Homes, was that LAFCO defer recording the annexation for up to one year to allow the developer time to obtain the necessary County permits and complete construction. Prior to the August 2016 deadline, Lenox Homes requested an extension of time, due to a delay in completing the project. The Commission approved an extension of time to February 2, 2017.

The developer recently informed LAFCO that construction is about 90% complete. The estimated completion date will extend beyond the February 2, 2017 date for recording the annexation. Thus, the developer is requesting an additional six month time extension to August 2, 2017.

Upon motion of Tatzin, second by Andersen, Commissioners unanimously, by a 6-0 vote, approved a second extension of time to file the Certificate of Completion to August 2, 2017, as requested by Lenox Homes, to allow the developer additional time to complete construction activities..

AYES: Andersen, Blubaugh, Caldwell (A), Schroder, Skaredoff, Tatzin
NOES: none

ABSENT: Glover (M), McGill (M)
ABSTAIN: none

11. FY 2016-17 Second Quarter Budget Report

The Executive Officer reported that expenditures to date for the first half of this fiscal year are approximately 37% of total appropriations. Total revenues received to date include 100% of local agency contributions; all agencies have paid their prorated contributions to the LAFCO budget. Application revenue is double last year's; two new applications have been received, compared to one application last year at this time.

Upon motion of Andersen, second by Skaredoff, Commissioners unanimously, by a 6-0 vote, received the FY 2016-17 second quarter fiscal report.

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

12. Executive Officer's Performance Review and Compensation

Chair Blubaugh reported that during the closed session at the end of the December 14, 2016 meeting Commissioners had confirmed their continued support of the exceptional work done by the Executive Officer, and recommended a 3% increase to the Executive Officer's base salary effective January 1, 2017.

Upon motion by Schroder, second by Tatzin, Commissioners unanimously, by a 6-0 vote, approved a 3% increase to the Executive Officer's base salary effective January 1, 2017.

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

13. Commissioner Comments and Announcements

Commissioner Skaredoff reported that he had attended a meeting of the Walnut Creek Watershed Council, where he heard a presentation from a group of graduate students from the University of California on their analysis of the Grayson Creek watershed, laying out the situation for flood and property control. He thought it would be interesting to invite the group to present to LAFCO in the coming year in light of the new Ag & Open Space Preservation Policy.

14. Staff Announcements

The Executive Officer reported that the CALAFCO Legislative Committee met on December 16 to set priorities for the first of the coming two-year legislative session. The CALAFCO Board, which had met earlier, provided direction to the Committee to focus on those things that have LAFCOs and CALAFCO at risk, to fulfill current commitments, and to remain engaged in conversations at the state level. Based on the Board's direction, the Committee identified one proposal for inclusion in the 2017 Omnibus bill; and 11 items for the 2018 Omnibus bill. Also this year, CALAFCO will work with CSDA to cosponsor a bill that will streamline the process for seating special district members on LAFCO and provide additional clean-up language to the CKH. The Legislative Committee meets again on January 27 and will meet monthly through August.

The CALAFCO Board has a strategic planning workshop every other year. The 2017 workshop is being held today, and Commissioner McGill is attending that. The Board is discussing 2016 accomplishments, legislative matters, educating members, urbanization areas and orderly growth, the sustainability of CALAFCO, and a host of other items.

Chair Blubaugh asked the Executive Officer to provide a list of MSRs that are coming up.

The meeting adjourned at 2:00 p.m.

Final Minutes Approved by the Commission February 8, 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

By _____
Executive Officer



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Executive Officer

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Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

Igor Skaredoff
Special District Member

Don Tatzin
City Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Sharon Burke
Public Member

Tom Butt
City Member

Stanley Caldwell
Special District Member

February 8, 2017 (Agenda)

February 8, 2017
Agenda Item 6

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

Update – Knightsen Town Community Services District

Dear Members of the Commission:

BACKGROUND

In 2014, the Commission approved its 2nd round Water/Wastewater Municipal Service Review (MSR) which covered eight cities and 21 special districts. In conjunction with the MSR, the Commission updated the spheres of influence (SOIs) for all of the districts. The Knightsen Town Community Services (KTCSD) was one of the districts covered in the MSR.

KTCSD was formed in 2005 to provide flood control and water quality (drainage services) for the unincorporated community of Knightsen, which is an area of low elevation that receives runoff flow from nearby areas. The area is largely agricultural, with an estimated population of 1,568 residents. The area is in need of detention basins and facilities to treat storm water runoff. The 2008 MSR identified concerns with the District and lack of services/programs. KTCSD does not currently provide any physical services related to its original purpose due to a lack of funds to construct the facilities. KTCSD owns no physical assets or improvements. KTCSD continues to seek funding and has partnered with a habitat conservancy group to apply for grant funding opportunities.

The 2014 MSR included the following SOI options:

- Retain existing coterminous SOI and designate the area as a “special study area”
- Adopt provisional SOI
- Adopt zero SOI

During the April 2014 LAFCO meeting, Mitch Avalon, representing Contra Costa County Public Works, spoke in support of the work being done by KTCSD to address the serious issue of flooding in the Knightsen area, and that the County did not support the dissolution of KTCSD. Mr. Avalon commented on the reasons the District was formed and the physical and financial challenges the area faces. He also commented that the District is working on planning and

funding efforts, which take time, and that KTCSD is making steady progress in achieving its goals.

At LAFCO's May 2014 and June 2014 public hearings on the MSR and SOI updates, Linda Weekes, then Chair of the KTCSD, addressed the Commission. She reported that KTCSD had submitted two grant proposals to the Department of Water Resources (one failed due to lack of land). She also noted that the District had presented a land acquisition proposal to three landowners, and that the District was waiting to hear further from the landowners.

Ultimately, the Commission adopted a resolution retaining the existing SOI and requiring the KTCSD to provide progress reports to LAFCO annually until the next MSR cycle. The updates were to include a progress report addressing services, facilities, funding, administrative and governance issues identified in the 2014 MSR report.

Ms. Weekes contacted the LAFCO office several times between 2015 and 2016 and provided verbal updates to LAFCO staff.

In the past two years, there has been turnover in the KTCSD Board, whose members also serve as the Board of the Knightsen Town Advisory Council (KTAC). In November 2016, LAFCO staff met with Steve Ohmstede, the new Chair of KTCSD; and he agreed to provide an update to LAFCO. Mr. Ohmstede invited Mitch Avalon from Contra Costa County Flood Control (CCCFC) to participate in the presentation. The update will cover the following topics and will allow time for Commissioner questions.

- ❖ Current KTCSD board and staff
- ❖ Form 700 compliance
- ❖ Adopted budgets
- ❖ Adopted major project list
- ❖ Completed financial reports (year-end report, financial audits, financial statements, etc.)
- ❖ Major flood control project
 - Parties involved (i.e., KTCSD, CCCFC, East Bay Regional Parks District, East Contra Costa County Habitat Conservancy).
 - 680 acre land purchase
 - MOU
 - Coordination with County Public Works
- ❖ New Hydrology study with ESA/Environmental Hydrology
- ❖ Activities Timetable

RECOMMENDATIONS: Receive the KTCSD update.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

c: Steve Ohmstede, Chair, KTCSD
Mitch Avalon, CCCFC



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February 8, 2017
Agenda Item 7

February 8, 2017 (Agenda)

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

Rollingwood Wilart Park Recreation & Park District – Special Study – Final Draft

Dear Commissioners:

BACKGROUND: In 2010, Contra Costa LAFCO completed a countywide Municipal Service Review (MSR) covering cemetery, park and recreation services. As part of the MSR, LAFCO learned that the Rollingwood Wilart Park Recreation & Park District (RWPRPD) had been struggling for years with service, governance and administrative issues. Specifically, the District provides limited services, has no staff, and Board members are performing administrative and operational functions. Since the late 1990s, the RWPRPD also experienced accountability challenges; lack of public interest and uncontested elections (only one contested election in 1979); a significant decrease in facility rentals; no audited financial statements in over 10 years; and lack of capital planning documents and administrative records.

In conjunction with the 2010 MSR, LAFCO deferred the sphere of influence (SOI) update for the RWPRPD and required the District to provide periodic updates. Since 2010, the District has provided at least one written update and several verbal updates.

Following the LAFCO MSR, in 2012, the Contra Costa County Grand Jury issued a report on the RWPRPD noting the District's ongoing challenges and deficiencies and recommending that LAFCO dissolve the District.

Since 2012, LAFCO and the County have continued to work with the RWPRPD. The County Treasurer-Tax Collector currently holds funds for the District, including property taxes; and the County Auditor maintains an account on behalf of the RWPRPD and administers payment of funds at the direction of the District. The District's primary source of revenue is property tax; facility rental fees are essentially nonexistent. The District's finances are in order, and the District has no significant liabilities; the recreation center and land are the District's greatest asset. The District currently has four Board members.

2016 LAFCO SPECIAL STUDY: In August 2016, LAFCO initiated a special study of the Rollingwood Wilart Park Recreation & Park District (RWPRPD).

In December 2016, the Commission received an overview of the Public Review Draft, which provided a brief history of the District, the current status of District operations, WCCHD, and a summary of governance options.

The Public Review Draft Study was subject to a 30-day public comment period, during which time LAFCO received comments from the RWPRPD Board indicating their preferences with regard to a future LAFCO action, which include 1) for the City of San Pablo to annex the area and take over the RWPRPD facility and services, 2) for Contra Costa County to be the successor and wind up the affairs of the District, and 3) for the City of Richmond to annex the area and take over the RWPRPD facility and services.

During the public comment period, LAFCO also received a letter from the San Pablo City Manager (Attachment 2) indicating that the City will evaluate the assets and liabilities associated with a potential annexation of the Rollingwood community.

On January 26th, the LAFCO consultant – Richard Berkson and LAFCO staff met with the San Pablo City Council’s Economic Development/Project Management Standing Committee. The Committee members – Councilmembers Cruz and Kinney – provided valuable comments and questions, acknowledging that the Rollingwood area, including the Miflin Carlfield area, is an island, and noting that the City has a need for additional recreational facilities/uses. There was also discussion regarding annexation and the services that the City would need to extend to the Rollingwood community and the need for adequate funding, including the transfer of property tax from the County and certain existing districts serving the unincorporated community.

City staff reported that they recently inspected the Rollingwood Recreation Center and found the building to be structurally sound, restrooms in good shape, the interior including the kitchen needs rehabilitation, some ADA compliance improvements are needed, and the parking lot needs attention and may not provide an adequate number of parking spaces. The Council Committee put forward a recommendation to the City Council that the City proceed with a fiscal analysis, environmental review, and outreach to the Rollingwood community. The City Council will consider the matter on February 6th. Mr. Berkson and I will attend the City Council meeting and will provide a verbal update at the February 8th LAFCO meeting.

DISCUSSION: The special study provides findings; an overview of the RWPRPD; and a discussion of governance options.

Major Findings - Major findings identified in the study include the following:

1. The findings of the study support dissolution of the RWPRPD given the District’s ongoing challenges
2. Contra Costa County could be the successor in the event of dissolution

3. Rollingwood is within the City of San Pablo's sphere of influence (SOI) and could be annexed to the City concurrently with dissolution of the RWPRPD without the need for protest proceedings
4. Rollingwood could be added to the City of Richmond's SOI and annexed to Richmond concurrently with dissolution of the RWPRPD

Governance Options – The study provides a number of governance options, as summarized below, along with advantages, disadvantages, and the LAFCO process associated with each option.

- **Maintain the Status Quo** – Maintaining the status quo does not appear to be an option as the District plans to cease operations by Spring 2017. Use of the facility has been minimal over the past several years; and the current Board intends to shutter the facility.
- **Dissolution with Appointment of Successor to Wind-up Affairs** - Dissolution eliminates the District, and its assets/liabilities would revert to a successor agency to wind up District affairs, or possibly assume services. Property tax would be redistributed to other taxing entities, unless the successor agency takes over ownership and operation of the RWPRPD facility. Contra Costa County qualifies as the successor agency, as there are no cities within the District's boundaries. The successor agency assumes a number of responsibilities as discussed in the study.
- **Dissolution and Annexation to the City of San Pablo** – The Rollingwood area is an unincorporated "island" surrounded by the cities of San Pablo and Richmond, and is currently within the City of San Pablo's SOI. Historically, as portions of the RWPRPD service area were annexed to the City of San Pablo, they were detached from RWPRPD, thus reducing the size and revenues of RWPRPD. Annexation to the City of San Pablo would eliminate the island. Following annexation, the City would extend park and recreation services to the Rollingwood community, and would receive various property tax revenues to help support the extension of City services to the area. The City would also receive the Rollingwood Recreation Center, which the City could maintain or sell.
- **Dissolution and Annexation to the City of Richmond** - This option would first require an amendment to Richmond's SOI to include Rollingwood, and a corresponding amendment to the City of San Pablo's SOI to remove Rollingwood. Then, LAFCO could simultaneously dissolve the District and annex the territory to the City of Richmond.
- **Consolidation of RWPRPD with County Service Area (CSA) R-9** - CSA R-9, which is staffed by the County Public Works Department, is contiguous to RWPRPD. The CSA provides park facility operation and maintenance in the unincorporated community of El Sobrante. The 2010 Parks and Recreation Municipal Service Review (MSR) considered governance options that included consolidation of RWPRPD with CSA R-9. However, CSA R-9 was determined to be a candidate for dissolution due to the finding that "CSA R-9 has no regular source of financing, lacks public interest to fill advisory committee positions, and provides minimal services at a less than adequate service level." For these reasons, consolidation with CSA R-9 is not considered a viable option.

- **Reorganization of RWPRPD as a Subsidiary District to the City of San Pablo** – The 2010 Parks and Recreation MSR considered the option of RWPRPD as a subsidiary district to the City of San Pablo. However, establishing a subsidiary district would not be possible until at least 70 percent of the land area and registered voters in Rollingwood are annexed to the City. A subsidiary district would also entail additional management and accounting by the City to manage the subsidiary district. For these reasons listed above, creation of a subsidiary district is not considered a viable alternative.

The LAFCO process associated with each of these governance options is summarized in the study. Briefly, LAFCO has authority to dissolve the RWPRPD and name a successor agency to wind up the affairs of the District. However, LAFCO cannot initiate an annexation. Annexations can be initiated by resolution of an affected local agency (i.e., city, county, district), or by a petition of affected landowners or registered voters.

As noted above, the most viable options include dissolving the RWPRPD and either 1) naming the County as the successor agency to wind up the affairs of the district, or 2) annexation to a City, with San Pablo being the preferred option.

At the February 8th LAFCO meeting, the Commission will

- ✚ Receive an overview of the Final Draft Special Study;
- ✚ Receive an update based on the discussion at the February 6th San Pablo City Council meeting; and
- ✚ Be asked to provide input and direction.

RECOMMENDATIONS

Accept the Final study with changes as desired and provide direction as appropriate.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1: *Final Draft Report - Special Study of Governance Options – Rollingwood Wilart Park Recreation and Park District*

Attachment 2: Letter from City of San Pablo

c: Distribution



**Berkson
Associates**

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis

FINAL DRAFT REPORT

SPECIAL STUDY OF GOVERNANCE OPTIONS

**ROLLINGWOOD WILART PARK
RECREATION AND PARK DISTRICT**

Prepared for the Contra Costa Local Agency Formation Commission

Prepared by Berkson Associates

January 30, 2017



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1. INTRODUCTION

The Rollingwood Wilart Park Recreation and Park District (RWPRPD), shown in **Figure 1**, was formed on October 29, 1956 as an independent special district to operate and maintain the Rollingwood Recreation Center. In past years, the District's recreation center was frequently used for a range of events, including local fund raising events, church activities, life celebrations, classes and meetings by local groups. A square dance group rented the facility once a month for over 20 years, and contributed to facility maintenance.

Use of the facility was documented in LAFCO's Municipal Services Review (MSR) prepared in 2010.¹ The MSR also noted various governance issues including members of the RWPRPD governing board serving as staff (i.e., general manager, building manager), and that this practice may result in a prohibited conflict of interest or incompatible activity. The 2010 MSR also made a number of recommendations:

- Consider preparing a capital improvement plan to address infrastructure needs
- Review and update all facility and rental fees regularly (last reviewed in 2003)
- Prepare regular financial audits (the District has not audited its financial statement in at least 10 years)
- Consider establishing a website and posting meeting and District information

In conjunction with the 2010 MSR, LAFCO deferred the sphere of influence (SOI) update for the RWPRPD and required the District to provide periodic updates. Since 2010, the District has provided at least one written update and several verbal updates.

Apparently none of the 2010 MSR recommendations were implemented. A 2012 Grand Jury report² confirmed LAFCO's MSR findings, and found the District has failed to perform basic management activities, generate facility rentals, or fill Board vacancies. The Grand Jury recommended that the District be dissolved.

In recent years the District has had difficulty filling its five board seats and generating community support as the original members of the community moved or passed away. In order

¹ Parks, Recreation and Cemetery Services Municipal Services Review, adopted April 21, 2010, Contra Costa LAFCO (available online at www.contracostalafco.org)

² "ROLLINGWOOD-WILART PARK RECREATION AND PARK DISTRICT Who's Minding the Store?", Report 1206 by the 2011-2012 Contra Costa Grand Jury, April 5, 2012.

to maintain a quorum of Board members, the District recently reappointed two of its Board members.

The number of events and revenues declined as the community evolved, and concerns about gang activity reduced interest in events at the Center. Recently, the District cleaned out the Recreation Center and is shutting off utilities. At the District's board meeting December 7, 2016, board members decided to keep the Center open and book events through the Spring of 2017. Utilities and insurance would be maintained, and board members would be available to assist with any transition occurring during that period. The Board also indicated that their preferences with regard to a future LAFCO action included, in order of priority: 1) for the City of San Pablo to annex the area and take over the RWPRPD facility and services, 2) for Contra Costa County to be the successor and wind up the affairs of the District, and 3) for the City of Richmond to annex the area and take over the RWPRPD facility and services.

To address the impending District cessation of activity and various governance challenges, LAFCO commissioned this special study of RWPRPD to assess dissolution and other governance options available to the District, including annexation to the City of San Pablo or to the City of Richmond. In 2013, in response to an enquiry from LAFCO, the City of San Pablo indicated that they were exploring the feasibility of annexation of Rollingwood, and were open to discussions with RWPRPD officials about supporting or supplanting current RWPRPD services.³ No further action has occurred since 2013, although LAFCO's executive officer continued to have discussions with City staff about possible City actions.

On January 26th, the San Pablo City Council's Economic Development/Project Management Standing Committee received a presentation from LAFCO staff and its consultant and discussed issues related to the potential annexation of the Rollingwood and Mifflin Carlfield area, acknowledging that the areas represent unincorporated islands. The Committee also heard from City staff that there were potential uses by the City for the Recreation Center building (e.g., fitness and culinary classes). City staff reported that they recently inspected the Rollingwood Recreation Center and found the building to be structurally sound, restrooms in good shape, the interior including the kitchen needs rehabilitation, some ADA compliance improvements are needed, and the parking lot needs attention and may not provide an adequate number of parking spaces. The Council Committee put forward a recommendation to the City Council that the City proceed with a fiscal analysis, environmental review, and outreach to the Rollingwood

³ Letter March 4, 2013, from Matt Rodriguez, City Manager, City of San Pablo, to Lou Ann Texeira, Executive Director, Contra Costa LAFCO

community to communicate the impacts of annexation. Members of the Committee noted that discussions with the County regarding property taxes would be useful. The City Council will consider the matter on February 6th.

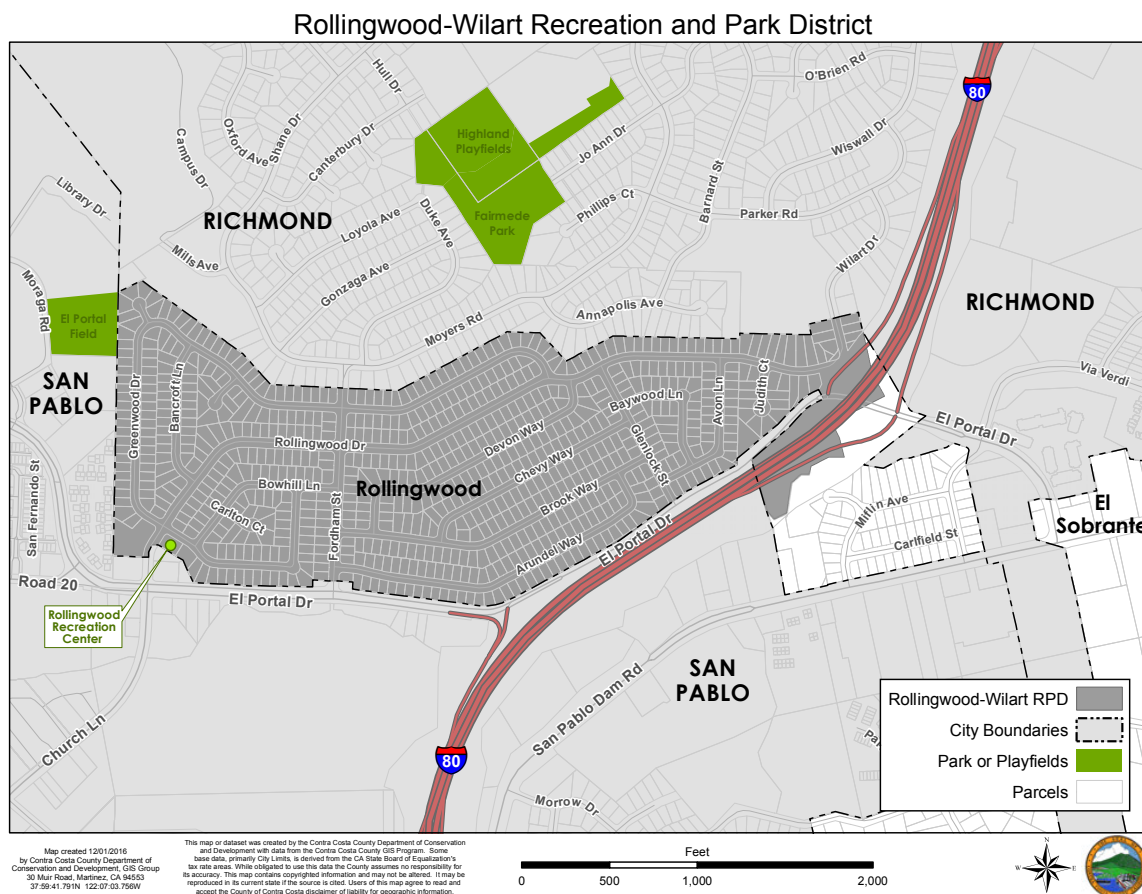
Given the proximity of the Rollingwood community to the City of Richmond, annexation to Richmond is also an option that would also require a sphere of influence (SOI) amendment. LAFCO staff is exploring this option with City staff. However, at the District's December 7th meeting, this option was described as least preferable relative to a San Pablo annexation, and secondly to dissolution and remaining unincorporated.

Minimal records were available for the purposes of this study, as the District has lost or inadvertently destroyed its records, or simply did not maintain adequate records. In recent years, Contra Costa County has maintained an account on behalf of the District and reports on revenues and expenditures that occurred in that account; other payments may have been made directly by District board members, or revenues received, that are not reflected in the County records. As part of the Special Study, interviews were conducted with a District representative and with the County Auditor-Controller.

ACKNOWLEDGEMENTS

We would like to thank and acknowledge Charlotte Rude, Board Member, RWPRPD for her assistance in providing information to LAFCO.

Figure 1: RWPRPD Boundaries



2. SUMMARY OF FINDINGS

This report describes current conditions of the RWPRPD and describes governance options. This chapter summarizes findings and conclusions of this report; subsequent chapters further document these findings.

A. THE FINDINGS OF THIS REPORT SUPPORT DISSOLUTION OF THE DISTRICT

A-1. The District has had difficulty over the years filling board vacancies and operated with only three members for an extended period.

A-2. The District meets regularly and notices its meetings, however community participation is minimal, and the District has no website.

A-3. Records of the District have been lost or inadvertently destroyed; in many cases, no records were maintained of payments made by individual board members, or exchanges of District space use for services.

A-4. The District failed to implement recommendations of the 2010 LAFCO MSR.

A-5. The District has had very few rentals in 2016; no quantified estimate was available.

A-6. The District is cleaning out its facility and plans to cease operations in the Spring of 2017. They have agreed to maintain insurance pending disposition of the facility.

B. CONTRA COSTA COUNTY COULD BE THE SUCCESSOR AGENCY IN THE EVENT OF DISSOLUTION.

B-1. Assets and liabilities would be transferred to the County. The County Treasurer-Tax Collector currently holds funds for the District; and the County Auditor maintains an account on behalf of the District and administers payment of funds at the direction of the District.

B-2. The County could choose to continue to operate or utilize the facility, or sell the property.

C. ROLLINGWOOD IS WITHIN THE CITY OF SAN PABLO'S SOI AND COULD BE ANNEXED TO THE CITY CONCURRENTLY WITH DISSOLUTION.

C-1. The City of San Pablo previously used the Rollingwood Recreation Center when a City facility was being retrofitted.

C-2. Historically, as portions of the District were annexed to the City of San Pablo, they were detached from RWPRPD.

C-3. The City of San Pablo could take ownership of all assets and be responsible for liabilities of the District.

C-4. The City could choose to continue to operate or utilize the facility, or sell the property.

D. ROLLINGWOOD COULD BE ADDED TO THE CITY OF RICHMOND'S SOI AND ANNEXED TO RICHMOND CONCURRENTLY WITH DISSOLUTION.

D-1. The City of Richmond could take ownership of all assets and be responsible for liabilities of the District.

D-2. The City could choose to continue to operate or utilize the facility, or sell the property.

3. ROLLINGWOOD WILART PARK RECREATION AND PARK DISTRICT

The RWPRPD was formed on October 29, 1956 as an independent special district to operate and maintain the Rollingwood Recreation Center. The District collects a share of property taxes and charges user fees to pay for ongoing costs for utilities, janitorial, and building maintenance and improvements, as well as administrative costs such as accounting.

GOVERNANCE

The District typically meets on the first Wednesday of the month, or as needed. The District is currently operating with four Board members. One Board member recently passed away and his position has not been filled, and two members were recently reappointed. As noted in the 2010 MSR for the District, a lack of community interest over the past 10-15 years has made it difficult to fill seats, and at one point the District functioned with three board members.⁴

ASSESSED VALUE AND POPULATION

Table 1 describes key characteristics of the District.

Table 1 Summary of Population and Area within the RWPRPD Boundaries

Item	Amount
Housing Units	670
Households	644
Population	2,832
Assessed Value	
85089	\$70,750,960
85099	<u>65,763,986</u>
Total	\$136,514,946
Land Area (acres)	109

Source: ACS, 2014; County Auditor-Controller; 2010 MSR

⁴ Parks, Recreation and Cemetery Services Municipal Services Review, adopted April 21, 2010, Contra Costa LAFCO.

RWPRPD GOALS, POLICIES AND PLANS

No plans or policies of the District were identified; recent closure and cleaning of the RWPRPD facility inadvertently destroyed all remaining records. The District has no website.

RWPRPD SERVICES

In the past, the RWPRPD has rented its multi-purpose building for a range of classes, events, parties and other celebrations. There have been very few paid rentals in 2016; the District reported there were more non-paying events than paid events, which often did not adequately cover the costs for cleanup.⁵

Figure 2 Interior of RWPRD Facility



RWPRPD FACILITIES

The District owns the building and property located at 2395 Greenwood Drive, San Pablo, parcel 416-074-004, shown in **Figure 2**. The County Assessor shows the “Rollingwood Wilart Park District” as the owner since the parcel creation date of 12/5/57, and is searching for a deed to document ownership.

The facility is approximately 3,612 square feet, including kitchen facilities and storage areas. A small second floor area (408 sq. ft.) provides office space at the east end of the building. The facility includes a stage at its west end. The facility reportedly is in good condition and has adequate fire systems in place, along with a roof replaced approximately ten years ago. The

⁵ R. Berkson interview with Charlotte Rude, RWPRPD director, 8/29/16.

District spent \$30,000 in FY08-09 for new kitchen venting to meet safety codes.⁶ Apparently the building suffered no damage in past earthquakes.⁷ The building has no air conditioning, but does have a heating system that has been maintained by a contractor. Some of the ceiling lights need to be replaced.⁸

Needed improvement indicated in the 2010 MSR include improving accessibility of the restrooms and ventilation for the janitor's closet, fireproofing or replacing the curtains on the stage, resurfacing and painting of stall lines in the parking lot, and purchasing a sound (microphone and speaker) system. These improvements have not been made.⁹ The City of San Pablo staff briefly toured the facility in January 2017 and found the building to be structurally sound, restrooms in good shape, the interior including the kitchen needs rehabilitation, some ADA compliance improvements are needed, and the parking lot needs attention and may not provide an adequate number of parking spaces. The City staff also noted that further inspection would be needed to determine the improvements needed for specific uses, e.g., equipment and kitchen improvements needed to operate a culinary training facility.

⁶ Parks, Recreation and Cemetery Services Municipal Services Review, adopted April 21, 2010 , Contra Costa LAFCO.

⁷ R.Berkson interview with Charlotte Rude, RWPRPD director, 8/29/16.

⁸ R.Berkson interview with Charlotte Rude, RWPRPD director, 8/29/16.

⁹ R.Berkson interview with Charlotte Rude, RWPRPD director, 8/29/16.

Figure 3 Exterior of RWPRD Facility



RWPRPD FINANCIAL RESOURCES

As shown in **Table 2**, the District's primary source of revenue is property tax, receiving approximately 2% of every tax dollar generated within its boundaries. As of August 2016, the County funds held on behalf of the District equaled approximately \$17,600.¹⁰ While the District began shutting down its facility and closing utility accounts, some additional bills, e.g., for insurance, are likely to draw-down the District's balance, along with reimbursement by the County to District board members for payment of other miscellaneous bills. The District plans to continue operating the Center through the Spring of 2017 and will incur operating expenses during that period.

¹⁰ County Fund 374000, Report No. DG3854.1130, 8/18/16.

In past years the District has also generated revenues from user fees for rental of its facility; however, the use of the facility in recent years has been minimal and fees often were insufficient to cover costs.¹¹

The District maintained its own checking account, in addition to funds held by the County, but no records remain after the District recently cleaned out its facility. Bills frequently were paid by members of the District Board, who were apparently unaware of cash available in the County fund, and use of the District facility for storage was exchanged for services, further complicating record-keeping.

The expenditures in **Table 2** reflect only those bills paid directly or reimbursed by the County. As of the date of publication of this report, it is understood that the District intends to pay any outstanding balances due, for example for utilities when they are shut down. Insurance is likely to continue to be paid by the County from District funds until the District's disposition is determined. While the District is exempt from paying property taxes, it appears that they are subject to certain parcel taxes such as the AC Transit Measure VV parcel tax that appears on the District's 2016-17 property tax bill. District property tax revenues will continue to accrue to the account maintained by the County, less standard property tax collection charges and any bills approved and paid by the County on behalf of the District pending closure of the Recreation Center.

RWPRPD ASSETS

RWPRPD assets essentially consist of real property including the building and land, and cash held by the County, estimated at \$17,600 less costs to maintain insurance on the building until its disposition can be determined.

The FY 2016-17 secured value of the property is \$175,996.¹² The value of the District's building "as-is" is not known; the reuse of the existing building for purposes other than a local community center is likely to be limited, given its largely residential location.

If the building were not re-used, it is likely that it could be sold for demolition and reused for residential purposes. It appears the property potentially could be subdivided into two lots that

¹¹ R.Berkson interview with Charlotte Rude, RWPRPD director, 8/29/16.

¹² 2016-17 Secured Property Tax Bill, Internet Copy, Parcel No. 416-074-004-1.

potentially could yield a value of approximately \$200,000 or more depending on market conditions.¹³

RWPRPD LIABILITIES

Other than short-term operating expenses to maintain property insurance and possible outstanding balances due for utilities, no other apparent liabilities exist with the exception of an ongoing dispute with the State of California Employment Development Department (EDD) regarding possible employment taxes estimated at approximately \$1,900 due for services the District claimed were contract services, as the District has no employees. The District is preparing correspondence to EDD to reiterate these facts.¹⁴

¹³ Assuming new home values of \$500,000 and land value equal to approximately 20% of the value of two new homes. The value depends on market conditions and other costs, including demolition and development approvals.

¹⁴ Discussion between L.Texeira, Contra Costa LAFCO, and Charlotte Rude, Board Member, RWPRPD, 11/29/16.

Table 2 RWPRPD Revenues and Expenditures

Item	Amount	
	FY14-15	FY15-16
REVENUES		
Property Tax	\$23,846	\$27,165
EXPENDITURES		
Building		
Fire Safety Equipment	730	0
HVAC	612	0
Plumbing	<u>0</u>	<u>222</u>
Total, Building	1,342	222
Insurance	3,671	3,571
Utilities		
AT&T	1,033	396
EBMUD	185	138
PG&E	861	396
Richmond Sanitary	<u>944</u>	<u>453</u>
Total, Utilities	3,024	1,383
Services		
Janitorial	300	100
Payments to Other Agencies		
LAFCO	34	35
County Tax Collection	205	-
Other County	<u>886</u>	<u>399</u>
Total, Payments	1,125	434
TOTAL EXPENDITURES	\$9,461	\$5,710
ENDING BALANCE		\$17,597

Source: Contra Costa County Auditor-Controller's Office

* The District also deposited revenues into a separate, non-County account and drew upon those funds for other expenses.

The account has been closed; no records are available for that account.

4. GOVERNANCE OPTIONS

This report evaluates governance options for the RWPRPD. Each option presents a different set of legal and policy choices. The following sections describe each option, and the required LAFCo process to implement the option. Advantages and disadvantages are summarized for each option including policy, service and financial implications.

MAINTAIN THE STATUS QUO

Maintaining the status quo does not appear to be a viable option, as the District plans to cease operation in the Spring of 2017. Use of the facility has been minimal over the past several years; the current district board intends to shutter its facility by the end of the year. Although the building is in good condition and no significant debts exist, district board and management oversight will be minimal or non-existent after the District ceases operation.

DISSOLUTION WITH APPOINTMENT OF SUCCESSOR FOR WINDING-UP AFFAIRS

Dissolution effectively eliminates the District, and its assets would revert to a successor agency to wind up District affairs, or possibly assume services. Property tax would be redistributed to other taxing entities, unless the successor agency takes over ownership and operation of the RWPRPD facility. If the facility has no further use for its original purpose, it is likely that the successor agency would sell the land and building. As a part of the dissolution, LAFCO could require that any net proceeds, after all costs had been paid related to the dissolution, could be dedicated to the benefit of the Rollingwood community.

SUCCESSOR AGENCY

Government Code (GC) §57451 addresses the determination of a successor for the purpose of winding up the affairs of a dissolved district. The County of Contra Costa qualifies as the successor agency, as there are no cities within the District's boundaries.

SUCCESSOR AGENCY RESPONSIBILITIES AND OBLIGATIONS

The successor agency will have a number of obligations, including the following:

- **Disposition of Property** – The successor agency has the ability to dispose of District property in order to satisfy financial obligations. State law indicates that, so far as may

be practical, "...the funds, money, or property shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved district".¹⁵

- **Debt and Long-Term Financial Obligations** – Any remaining short- and long-term obligations would be repaid through the use of available assets, including disposition of real property.
- **Litigation and Claims** – No such obligations are known to exist, with the exception of a pending claim by the State of California regarding potential employment taxes.
- **Pension Plans** – The District has no pension liabilities.

These obligations and responsibilities will be funded by District assets, property tax revenues, and proceeds from the sale of the property if applicable; the successor agency can retain funds to help pay for administrative costs incurred as a result of the dissolution.¹⁶

LAFCO PROCESS – DISSOLUTION

The process will follow the basic steps described below.¹⁷ In addition, it will be necessary for LAFCO to identify a successor for the purpose of winding up the affairs of the RWPRPD. It may also be necessary for LAFCo to specify a Gann limit applicable to the successor agency that will allow for an increased collection and use of property taxes for the purpose of winding up the affairs of the District, although it is not likely that this would be necessary.

- At a noticed public hearing, the Commission accepts the special study, considers adopting a zero SOI to signal proposed dissolution and for consistency with SOI (GC §56375.5), considers making findings in accordance with the conclusions and recommendations of the special study, and considers adopting a resolution initiating dissolution.
- At a noticed public hearing, LAFCO considers approving the dissolution.
- Following 30-day reconsideration period (GC §56895), LAFCO staff holds a protest hearing in the affected territory (GC §57008). The protest hearing is a ministerial action. While the Commission is the conducting authority, it often designates the Executive Officer to conduct the protest hearing.
- Absent the requisite protest, and possible election, the Commission orders dissolution.
- Following approval by LAFCO (and voters if required), LAFCo staff records dissolution paperwork and files with the State Board of Equalization making dissolution effective.

¹⁵ GC §57463.

¹⁶ GC §57463.

¹⁷ Identified in GC §57077.

DISSOLUTION & ANNEXATION TO THE CITY OF SAN PABLO

The Rollingwood area currently is an unincorporated “island” surrounded by the cities of San Pablo and Richmond, as shown in **Figure 4**. The City of San Pablo previously used the Rollingwood Recreation Center when a City facility was being retrofitted.¹⁸

The area falls within the SOI of the City of San Pablo. Historically, as portions of the District were annexed to the City of San Pablo, they were detached from RWPRPD, thus reducing the size and revenues of RWPRPD. Annexation to the City of San Pablo would eliminate the island.

Following annexation, the City would extend park and recreation services to the Rollingwood community, as well as other City services. The City could continue to maintain and operate the facility utilizing current District property tax revenues that would shift to the City from the County and certain special districts (P-6 and L-100), or it could sell the property to satisfy any outstanding debts, which appear to be minimal. LAFCO, through its Terms and Conditions, could require that the net proceeds of property sale be utilized to the benefit of the Rollingwood community.

LAFCO PROCESS – DISSOLUTION & ANNEXATION

LAFCO could simultaneously dissolve the District and annex the territory to the City of San Pablo assuming that LAFCO receives an application from the City of San Pablo.

Annexation would proceed as follows:¹⁹

- Initiation of an annexation/reorganization application either by resolution (i.e., county, city, district) or petition (i.e. landowners, registered voters – 5% minimum threshold)
- At a noticed public hearing, LAFCO considers the proposed annexation/reorganization and takes action to approve or deny
- If approved, LAFCO orders the annexation/reorganization without protest proceedings due to the size of the “island” annexation

¹⁸ Parks, Recreation and Cemetery Services Municipal Services Review, adopted April 21, 2010 , Contra Costa LAFCO.

¹⁹ The process should qualify for an expedited process pursuant to Gov. Code section 56375.3 as Rollingwood is an island and is less than 150 acres.

DISSOLUTION & ANNEXATION TO THE CITY OF RICHMOND

This option would first require an amendment to Richmond's SOI (which is contiguous to Rollingwood) to include Rollingwood, and a corresponding amendment to the City of San Pablo's SOI to remove Rollingwood. Then, LAFCO could simultaneously dissolve the District and annex the territory to the City of Richmond assuming that LAFCO receives an application from the City of Richmond.

The annexation process would proceed as described above for annexation to the City of San Pablo, with the additional SOI amendment action.

Following annexation, the City would extend park and recreation services to the Rollingwood community. The City could continue to maintain and operate the facility utilizing current District property tax revenues that would shift to the City, including property tax revenues shifted from certain other existing special districts that would no longer serve the area, or it could sell the property to satisfy any outstanding debts, which appear to be minimal. LAFCO, through its Terms and Conditions, could require that the net proceeds of property sale be utilized to the benefit of the Rollingwood community.

CONSOLIDATION OF RWPRPD WITH COUNTY SERVICE AREA (CSA) R-9

CSA R-9, which is staffed by the County Public Works Department, is contiguous to RWPRPD. The CSA provides park facility operation and maintenance in the unincorporated community of El Sobrante.

The 2010 Parks and Recreation MSR considered governance options that included consolidation of RWPRPD with CSA R-9. However, CSA R-9 was determined to be a candidate for dissolution due to the finding that "CSA R-9 has no regular source of financing, lacks public interest to fill advisory committee positions, and provides minimal services at a less than adequate service level."²⁰ CSA R-9 has accumulated developer fees to fund construction of a mini-park, however, still does not have an ongoing source of funding to pay for its maintenance.²¹ For these reasons consolidation with CSA R-9 is not considered a viable option.

²⁰ Parks, Recreation and Cemetery Services Municipal Services Review, adopted April 21, 2010, Contra Costa LAFCO.

²¹ Email from Jason Chen, Contra Costa County Public Works, Nov. 28, 2016, to Lou Ann Texeira, Executive Director, Contra Costa LAFCO



REORGANIZATION OF RWPRPD AS A SUBSIDIARY DISTRICT TO THE CITY OF SAN PABLO

The 2010 Parks and Recreation MSR considered the option of RWPRPD as a subsidiary district to the City of San Pablo. However, establishing a subsidiary district would not be possible until at least 70 percent of the land area and registered voters in Rollingwood are annexed to the City. A subsidiary district would also entail additional management and accounting by the City to manage the subsidiary district.

For the reasons listed above, creation of a subsidiary district is not considered a viable alternative.

CITY OF SAN PABLO

City Manager

December 13, 2016



CITY OF SAN PABLO

City of New Directions



2014

E-TRANSMITTAL/U.S. REGULAR MAIL

Ms. Lou Ann Texeira,
Executive Officer
Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine St #6
Martinez, CA 94553

Re: **LAFCO Board Agenda for December 14, 2016:**
**Agenda Item #9 – Rollingwood Wildart Recreation Park District Special Study –
Dissolution, Governance and Successor Agency Issues**

Dear Ms. Texeira:

The City of San Pablo has initially reviewed the above DRAFT Special Study (Study) for the Rollingwood Wildart Recreation Park District (RWRPD) released on December 1, 2016. We appreciate the opportunity to comment on the Draft Study at this time.

Following initial discussion with LAFCO staff on 12/13/16, the City is evaluating the DRAFT Study recommended options on the future dissolution of RWRPD, and the future recommended governance study options under consideration by LAFCO. Specifically, with reference to Option C – Rollingwood is Within the City of San Pablo Sphere of Influence (SOI) and could be annexed to the City of San Pablo Concurrently with Dissolution listed on page 8 and 13 of the Study.

In the next 30-60 days, the City will begin the process to evaluate the assets and liabilities associated with a potential annexation of RWRPD, and will confer with LAFCO staff in the coming weeks following City Council authorization. Additionally, the City acknowledges the LAFCO Board's target date of a Final Study review scheduled for the February 8, 2017 LAFCO Board Meeting.

Should you have any questions regarding this matter, please contact me at (510) 215-3016 or via email at: MattR@SanPabloCa.gov.

Thank you for the opportunity to initially comment at this time.

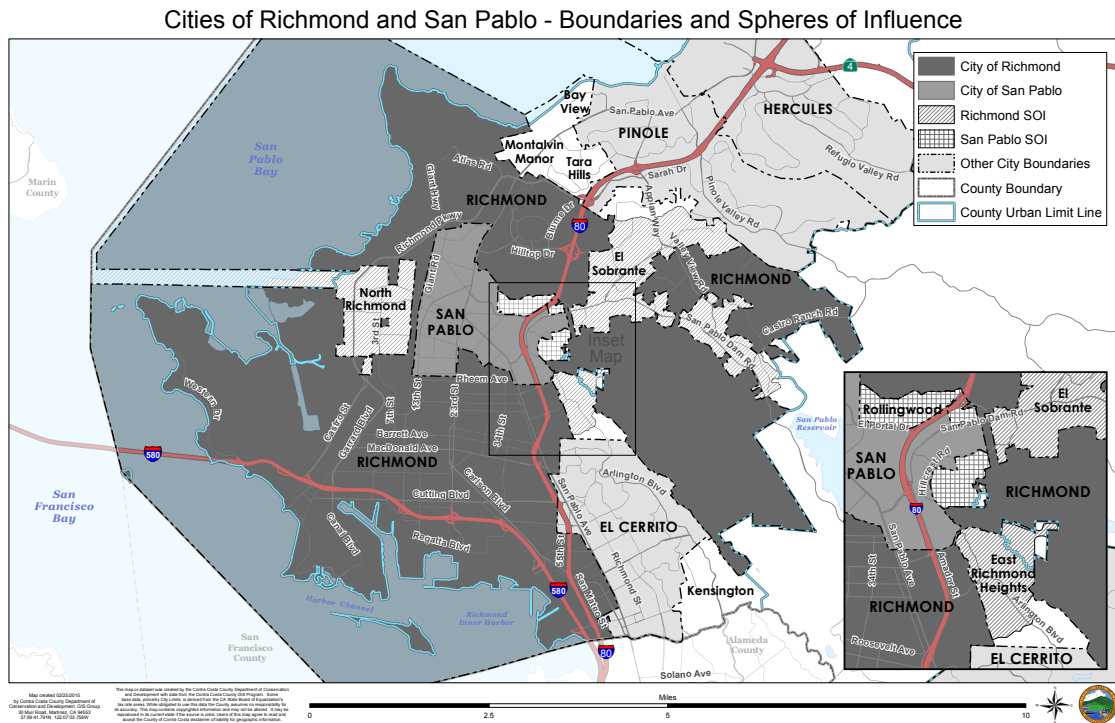
Sincerely:

Matt Rodriguez,
City Manager

cc: San Pablo Mayor and Councilmembers
City Attorney
Assistant City Manager
Community Services Director

13831 San Pablo Avenue, Building I • San Pablo, CA 94806
Main: 510-215-3000 • Direct: 510-215-3001 • Fax: 510-215-3011
www.SanPabloCA.gov

Figure 4 City Boundaries and SOIs





CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

651 Pine Street, Sixth Floor • Martinez, CA 94553-1229

e-mail: LouAnn.Texeira@lafco.cccounty.us

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Lou Ann Texeira
Executive Officer

MEMBERS

Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Federal Glover
County Member

Don Tatzin
City Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

Igor Skaredoff
Special District Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Sharon Burke
Public Member

Tom Butt
City Member

Stanley Caldwell
Special District Member

February 8, 2017
Agenda Item 8

February 8, 2017 (Agenda)

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

Fiscal Year 2017-18 Budget Schedule and Work Plan Preview

Dear Members of the Commission:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) establishes a specific process for preparing and adopting LAFCO's budget. Government Code §56381 provides that the Commission shall adopt annually a proposed budget by May 1 and final budget by June 15, following noticed public hearings. Contra Costa LAFCO generally adopts a proposed budget in March and a final budget in May each year.

WORK PLAN PREVIEW

In conjunction with a proposed budget, the Commission sets out a work plan in March each year. The work plan typically includes goals and objectives such as preparing Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) updates, updating the Commission's policies and procedures, and other projects and programs.

In 2013, the Commission participated in a strategic planning session to identify future goals and objectives. As part of the session, the Commission identified several priorities, including conducting 2nd round MSRs, being an active participant in the County's fire/EMS studies (which were completed in 2014), updating the Commissioner Handbook (Policies & Procedures), and facilitating island annexations. A brief update on these activities is provided below.

MSRs/SOI Updates - LAFCO law provides that every five years the Commission shall, as necessary, review and update each SOI [Gov. Code §56425(g)]. The statute also provides that in order to prepare and update an SOI, the Commission shall conduct a MSR.

In 2013, the Commission completed its inaugural round of MSRs/SOI updates, and initiated 2nd round MSRs. To date, the following 2nd round MSRs/SOI updates have been completed:

- June 2014 - Water/wastewater MSR/SOI updates covering eight cities, 19 special districts, and private water companies
- November 2015 - Reclamation services MSR/SOI updates covering 14 special districts
- October 2016 – Fire/EMS MSR/SOI updates covering three cities and eight special districts

As part of the FY 2016-17 work plan and budget, the Commission approved preparing 2nd round MSRs including healthcare services covering three healthcare districts and County healthcare services, and cities/community services districts (CSDs) covering 19 cities and six CSDs.

Due to the preparation of two special studies (West Contra Costa Healthcare District and Rollingwood Wilart Park Recreation & Park District), one of which was unanticipated, there was a delay in initiating the 2nd round healthcare and cities/CSDs MSRs. Now that both special studies are complete, or nearly complete, staff is preparing for the healthcare services and cities/CSDs 2nd round MSRs. One of the items included on the February 8 meeting agenda for the Commission's consideration is a draft Request for Proposals related to the 2nd round healthcare services MSR. The cities/CSDs 2nd round MSR will follow.

Other services that are potential candidates for a 2nd round MSR in FY 2017-18 including cemetery (2010), parks & recreation (2010), mosquito & vector control (2010), and resource conservation (2010) – see attached MSR log. Given the magnitude of the cities/CSDs MSR, it is likely that work on this MSR will carry-over into FY 2017-18. Thus, staff recommends that the FY 2017-18 work plan include one new MSR.

Policies and Procedures Updates – In the past several years, the Commission made significant progress updating its policies and procedures, and adopted new *procedures* for the following changes of organization: city annexations/detachments, district annexations/detachments, district mergers, establishment of subsidiary districts, LAFCO-initiated proposals, new or different services, district dissolution, district formation, district consolidation, city consolidation, disincorporation, reorganization and out of agency service; and updated the *Membership and Rules and Procedures* policies. Contra Costa LAFCO now has procedures for each type of change of organization. Most recently, the Commission adopted a legislative policy, updated its policies to include broadband, and adopted an Agricultural & Open Space preservation policy. Next in the queue are policies relating to the following:

- ✚ Disadvantaged Unincorporated Communities (DUCs)
- ✚ Sphere of Influence
- ✚ Updating Procedures for Processing Multi County Boundary Change

Island Annexations - LAFCO continues to encourage local agencies to annex islands. County GIS recently updated LAFCO's island map which depicts islands that are 150 acres or less, most of which can be annexed without a protest hearing pursuant to Gov. Code §§56375.3. Since the map was originally created in 2012, no small islands have been annexed and one new island was created (Northeast Antioch Area 2A – Marina). We expect the island issue to be addressed in more detail in the 2nd round MSR covering cities/CSDs.

Growing Contra Costa LAFCO – Last year, the staff discussed with the Commission the possibility of growing Contra Costa LAFCO. The discussion focused on relocating the LAFCO and adding a position.

- ❖ **LAFCO Office** - Contra Costa LAFCO currently leases office space at 651 Pine Street in Martinez. LAFCO staff previously learned of an opportunity to relocate to 40 Muir Road in Martinez. This would allow LAFCO to expand its office space. The Commission was supportive and approved the FY 2016-17 budget which included costs associated with relocating the LAFCO on (or about) February 1, 2017. Unfortunately, the relocation has been postponed until further notice. The major tenant planning to occupy the entire second floor of the building has deferred their decision to move. Due to the need for major tenant improvements (e.g., heating, ventilation, air conditioning), it would be cost-prohibitive to relocate to 40 Muir Road until a second floor tenant is confirmed. In the meanwhile, LAFCO staff is exploring other options, including converting the storage room at our current location to an office; also, we have reserved office space in the new County building, to be constructed in the future. Should the conversion of existing office space be a viable option, we will include associated costs in the proposed FY 2017-18 budget.
- ❖ **LAFCO Staffing** – Contra Costa LAFCO currently employs two full-time staff – an Executive Officer and an Executive Assistant/LAFCO Clerk. In addition, we contract for a number of services including environmental planning, financial auditing, GIS/mapping, legal, webmaster, MSR and special studies. There is a desire to expand LAFCO staff in the future, as application activity increases, as we continue/expand our work on policies and procedures, to perhaps take on some inventive projects and programs, and to maintain our current level of involvement at a statewide level with CALAFCO and other stakeholders. In addition, it is desirable to have some level of “back-up” for the current LAFCO staff – either part-time or full-time. Adding an Analyst position could help meet these needs. As noted above, adding staff is contingent on expanding the LAFCO office space.

Updated information regarding LAFCO office space and staffing will be included in the March 8th budget report to the Commission.

Other Items of Interest – Over the past several years, Contra Costa LAFCO has hosted a series of informational presentations on local agency drought management efforts. LAFCO received presentations from most water and wastewater districts and the County Environmental Health Department. In the past, LAFCO has also received informational presentations from a host of other organizations including the Brentwood Agricultural Land Trust, Contra Costa Transportation Authority (Urban Limit Line/Measure J), California Emerging Technology Fund and East Bay Broadband Consortium (broadband services), as well as from potential project applicants (e.g., City of Oakley - East Cypress Corridor Annexations, City of Martinez - Alhambra Valley/North Pacheco Annexations, Town of Moraga - South Camino Pablo Annexation, etc.. In addition, the Commission receives periodic updates in conjunction with MSRs/SOI updates.

It would be valuable to hear from the Commission regarding future presentations and other items of interest. For example, at the January LAFCO meeting, Commissioner Skaredoff proposed having a presentation relating to watershed and flood and property control.

RECOMMENDATIONS

1. Provide input as desired;
2. Direct staff to present a Proposed Budget for review and approval at the March 8, 2017 LAFCO meeting; and
3. Direct staff to present a Final Budget for review and approval at the May 10, 2017 LAFCO meeting.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Contra Costa LAFCO MSR/SOI Updates Log

- c: All Contra Costa County Cities
 All Contra Costa County Special Districts
 Contra Costa County Administrator
 Contra Costa County Auditor-Controller

CONTRA COSTA LAFCO

Status of Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) Updates February 2017

Local Agency	Current MSR/SOI	Type of MSR	Next MSR
<u>Cities</u> City of Antioch	MSR (Dec 2008); SOI <i>reduced</i> (Mar 2010)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Brentwood	MSR/SOI <i>reduced</i> (Dec 2008)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Clayton	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Concord	MSR (Sept 2009); SOI retained (Oct 2009)	Central County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
Town of Danville	MSR (Sept 2009); SOI update pending	Central County Sub-Regional	2017
City of El Cerrito	MSR/SOI <i>retained</i> (Nov 2009)	West County Sub-Regional	2017
City of Hercules	MSR/SOI <i>retained</i> (Nov 2009)	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Lafayette	MSR (Sept 2009); SOI <i>retained</i> (Oct 2009)	Central County Sub-Regional	2017
City of Martinez	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
Town of Moraga	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Oakley	MSR/SOI <i>retained</i> (Dec 2008)	East County Sub-Regional	2017
City of Orinda	MSR (Sept 2009); SOI <i>retained</i> (Oct 2009)	Central County Sub-Regional	2017
City of Pinole	MSR/SOI <i>retained</i> Nov 2009	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Pittsburg	MSR (Dec 2008); SOI <i>expanded</i> (July 2009)	East County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of Pleasant Hill	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017
City of Richmond	MSR/SOI <i>reduced</i> (Nov 2009)	West County Sub-Regional	Included in Water/Wastewater(May 2014) 2017
City of San Pablo	MSR/SOI <i>reduced/expanded</i> (Nov 2009)	West County Sub-Regional	2017
City of San Ramon	MSR (Sept 2009); SOI update pending	Central County Sub-Regional	2017
City of Walnut Creek	MSR (Sept 2009); SOI <i>reduced</i> (Oct 2009)	Central County Sub-Regional	2017

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
<u>Cemetery Districts</u>			
Alamo-Lafayette Cemetery District	MSR/SOI <i>retained</i> (Apr 2010);	Countywide Cemetery, Park & Recreation	TBD
Byron-Brentwood-Knightsen-Union Cemetery District	MSR/SOI <i>retained</i> (Apr 2010);	Countywide, Cemetery, Park & Recreation	TBD
<u>Community Service Districts</u>			
Crockett CSD (formed 2006)	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/Waste-water	2017
Diablo CSD	MSR <i>retained</i> SOI (Oct 2009)	Central County Sub-Regional	2017
Dublin San Ramon CSD	MSR (May 2014)	Countywide Water/Waste-water - Alameda LAFCO is principal	2017
Kensington Police Protection and CSD	MSR/SOI <i>retained</i> (Nov 2009); MSR (2011)	West County Sub-Regional (2009); Law Enforcement (2011)	2017
Town of Discovery Bay CSD	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/Waste-water	2017
Town of Knightsen CSD (formed 2005)	MSR/SOI <i>retained</i> SOI (June 2014)	Countywide Water/Waste-water	2017
<u>County Service Areas</u>			
CSA D-2 (Drainage - Walnut Creek)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA EM-1 (Countywide – Emergency Medical)	MSR (Aug 2016); SOI <i>retained</i> (Oct 2016)	Countywide Fire/EMS	TBD
CSA L-100 (Countywide - Streetlighting)	MSR/ <i>zero</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA LIB-2 (Library - Rancho El Sobrante)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-10 (Library - City of Pinole)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-12 (Library - Town of Moraga)	MSR/SOI <i>retained</i> Feb 2013	Countywide Library	TBD
CSA LIB-13 (Library - cities of Concord and Walnut Creek)	MSR/SOI <i>expanded</i> SOI Feb 2013	Countywide Library	TBD
CSA M-1 (Misc Services - Delta Ferry)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-16 (Misc Services – Community of Clyde)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA M-17 (Misc Services - Tara Hills, Montlvin Manor, West Contra Costa)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA M-20 (Misc Services - View Pointe Subdivision)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-23 (Misc Services - San Ramon, Blackhawk, Danville)	MSR/ <i>retained</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA M-28 (Misc Services – Bethel Island)	MSR/SOI <i>retained</i> zero SOI (June 2014)	Countywide Water/Waste-water	TBD
CSA M-29 (Misc Services – San Ramon, Dougherty Valley)	MSR/SOI <i>retained</i> (Apr 2010); MSR (2011)	Countywide Park & Rec (2010); Law Enforcement (2011)	TBD

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
CSA M-30 (Misc Services – Alamo)	MSR (Apr 2010); SOI <i>affirmed</i> (Aug 2010); MSR (2011)	Countywide Park & Rec (2010); Law Enforcement (2011)	TBD
CSA M-31 (TDM Services – Pleasant Hill)	MSR/ <i>expanded</i> SOI (Apr 2013)	Misc CSAs	TBD
CSA P-2 (Police – Zone A – Blackhawk, Zone B - Alamo)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA P-5 (Police Protection – Roundhill)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA P-6 (Police Protection – Unincorporated Area)	MSR (Aug 2011); SOI update pending	Law Enforcement (2011)	TBD
CSA R-4 (Recreation – Moraga)	MSR (Apr 2010); <i>retained</i> (May 2013)	Countywide Park & Rec	TBD
CSA R-7A (Recreation – Alamo)	MSR (Apr 2010); SOI update/expansion (Apr 2012)	Countywide Park & Rec	TBD
CSA R-9A (Recreation - El Sobrante)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA R-10 (Recreation – Rodeo)	MSR/SOI <i>retained</i> (Apr 2010)	Countywide Park & Rec	TBD
CSA RD-4 (Roads - Bethel Island)	MSR/SOI <i>retained</i> (Dec 2008)	East County Sub-Regional	TBD
CSA T-1 (Transit – San Ramon) (formed 2006)	MSR/adopted <i>provisional</i> SOI (Apr 2013)	Misc CSAs	TBD
<u>Fire Service</u> Contra Costa County Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service MSR	TBD
Crockett-Carquinez Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service	TBD
East Contra Costa Fire Protection District	MSR (Aug 2016); provisional SOI (Oct 2016)	Countywide Fire/ Emergency Service	TBD
Kensington Fire Protection District	MSR (Aug 2016); SOI update pending	Countywide Fire/ Emergency Service	TBD
Moraga-Orinda Fire Protection District	MSR (Aug 2016); SOI retained (Oct 2016)	Countywide Fire/ Emergency Service	TBD
Rodeo-Hercules Fire Protection District	MSR (Aug 2016); provisional SOI	Countywide Fire/ Emergency Service	TBD
San Ramon Valley Fire Protection District	MSR (Aug 2016); SOI retained (Oct 2016)	Countywide Fire/ Emergency Service	TBD
<u>Health Care Districts (HCDs)</u> Los Medanos HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
Mt. Diablo HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
West Contra Costa HCD	MSR/SOI <i>retained</i> (Aug 2007)	Countywide Healthcare	2017
<u>Irrigation</u> Byron-Bethany Irrigation District	MSR (May 2014)	Countywide Water/Waste-water - San Joaquin LAFCO is principal	TBD

Local Agency	Most Current MSR/SOI	Type of MSR	Next MSR
East Contra Costa Irrigation District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/Wastewater	TBD
<u>Mosquito Abatement</u> Contra Costa Mosquito and Vector Control District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide	TBD
<u>Municipal Improvement</u> Bethel Island Municipal Improvement District	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	Included in RD MSR (Nov 2015)
<u>Municipal Utility</u> East Bay MUD	MSR (May 2014)	Countywide Water/Wastewater - Alameda LAFCo is principal	Included in Water/Wastewater(May 2014)
<u>Reclamation Districts (RD)</u> RD 799 (Hotchkiss Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 800 (Byron Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 830 (Jersey Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2024 (Orwood and Palm Tracts)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2025 (Holland Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2026 (Webb Tract)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2059 (Bradford Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2065 (Veale Tract)	Adopted coterminous SOI (Nov 2015)	Countywide Reclamation	TBD
RD 2090 (Quimby Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2117 (Coney Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2121	Adopted zero SOI (Nov 2015)	Countywide Reclamation	TBD
RD 2122 (Winter Island)	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
RD 2137	MSR/SOI <i>retained</i> (Nov 2015)	Countywide Reclamation	TBD
<u>Park & Recreation</u> Ambrose Recreation & Park District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide Park & Rec	
East Bay Regional Park District	N/A	Alameda LAFCo is principal	TBD
Green Valley Recreation & Park District	MSR (Aug 2008); SOI <i>reduced</i> (Oct 2009)	Agency-specific MSR	TBD
Pleasant Hill Recreation & Park District	MSR (Apr 2010); SOI <i>expanded/reduced</i> SOI (May 2010)	Countywide Park & Rec	TBD
Rollingwood-Wilart Recreation & Park District	MSR (Apr 2010); SOI update pending	Countywide Park & Rec	TBD

Local Agency	Current MSR	Type of MSR	Next MSR
<u>Resource Conservation</u> Contra Costa Resource Conservation District	MSR (Apr 2010); SOI <i>retained</i> (May 2010)	Countywide	TBD
<u>Wastewater</u> Byron Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Agency-specific	TBD
Central Contra Costa Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
County Sanitation District 6 (Alhambra Valley)	MSR/SOI <i>retained zero</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
Delta Diablo Sanitary District	MSR/SOI <i>reduced</i> SOI (June 2014);	Countywide Water/ Wastewater	TBD
Ironhouse Sanitary District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD
Mt. View Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
Rodeo Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
Stege Sanitary District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
West County Wastewater District	MSR/SOI <i>retained</i> (May 2014)	Countywide Water/ Wastewater	TBD
<u>Water</u> Castle Rock County Water District	MSR/SOI <i>adopted zero</i> SOI (Oct 2014)	Countywide Water/ Wastewater	TBD
Contra Costa Water District	MSR/SOI <i>reduced/expanded</i> (June 2014)	Countywide Water/ Wastewater	TBD
Diablo Water District	MSR/SOI <i>expanded</i> SOI (June 2014)	Countywide Water/ Wastewater	TBD



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Lou Ann Texeira
Executive Officer

MEMBERS

Candace Andersen
County Member

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Public Member

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Don Tatzin
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Special District Member

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County Member

Sharon Burke
Public Member

Tom Butt
City Member

Stanley Caldwell
Special District Member

February 8, 2017 (Agenda)

February 8, 2017
Agenda Item 9

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

**Requests for Proposals – 2nd Round Healthcare Services
Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates**

Dear Commissioners:

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that every five years, as necessary, LAFCO review and update the sphere of influence (SOI) of each local agency. As part of the SOI update, LAFCO must prepare a corresponding MSR to evaluate projected growth/population; financial ability of the agencies to provide services; status of, and opportunities for, shared services; present and planned capacity of public facilities and adequacy of public services, infrastructure needs and deficiencies; characteristics and service needs of disadvantaged unincorporated communities (DUCs); and any other issues related to the effective and/or efficient delivery of municipal services as determined by the Commission.

In April 2013, Contra Costa LAFCO completed its inaugural MSR cycle and the comprehensive review of all 19 cities and 75 special districts and corresponding SOI updates for most agencies. In accordance with the CKH Act, LAFCO initiated its 2nd round MSRs/SOI updates. To date, LAFCO has completed 2nd round MSRs covering water/wastewater services (2014); reclamation (levee) services (2015) and Fire/EMS (2016).

DISCUSSION

As part of the FY 2016-17 work plan and budget, the Commission approved preparing 2nd round MSRs for *healthcare services* covering three healthcare districts and County healthcare services, and for *cities/community services districts* (CSDs) covering 19 cities and six CSDs.

Due to the preparation of two special studies (West Contra Costa Healthcare District and Rollingwood Wilart Park Recreation & Park District), one of which was unanticipated, there was a delay in initiating the 2nd round healthcare and cities/CSDs MSRs. Now that both special studies are complete, or nearly complete, staff is preparing for the healthcare services and

cities/CSDs 2nd round MSRs. LAFCO staff recommends proceeding first with the healthcare services MSR, followed by the cities/CSDs MSR.

Healthcare services is a timely issue – both locally and at the State level - In 2007, Contra Costa LAFCO completed its inaugural healthcare services MSR/SOI updates covering healthcare services. The 2007 MSR covered the three independent HCDs - Mt. Diablo HCD (MDHCD), Los Medanos Community HCD (LMCHD) and WCCHD – along with Contra Costa County Health Services. *Since that time, there have been notable changes in the districts that provide healthcare services in Contra Costa County.*

In 2012, LAFCO reorganized the MDHCD, which resulted in decreasing the size of the district and converting the district to a subsidiary district to the City of Concord – now called the Concord/ Pleasant Hill Healthcare District (CPHHCD). The Concord City Council sits as the Board of Directors of the CPHHCD.

Another significant change has occurred with WCCHD. The WCCHD has struggled financially since the 1990s. Although the District emerged from a 2006 bankruptcy, it never managed to regain financial solvency and fell further into debt. In 2015, WCCHD closed its hospital, a full service acute care facility. In October 2016, WCCHD filed for bankruptcy. Because WCCHD no longer operates a hospital, and does not currently provide any other health-related services, it is a candidate for reorganization. In December 2016, LAFCO completed a special study of governance options for WCCHD (available at <http://www.contracostalafco.org/>). Presently, LAFCO has delayed taking action to dissolve or reorganize the WCCHD pending the current bankruptcy. In conjunction with the special study, LAFCO has current information on the District, along with current healthcare data which can be used in the 2nd round healthcare MSR.

There was also a change in the provision of ambulance services in Contra Costa County. County Service Area EM-1 (CSA EM-1) provides funding for paramedic ambulance services. Contra Costa County recently entered into an exclusive agreement for ambulance services with the Contra Costa County Fire Protection District (CCCFPD). CCCFPD and its private subcontractor American Medical Response (AMR) provide ambulance service to most of Contra Costa County - except for those areas served by the Moraga Orinda Fire District and the San Ramon Valley FPD, which provide their own ambulance services. The recent partnership includes a combined dispatch center. Under the new system, CCCFPD dispatches the ambulance directly. This new system went into effect in January 2016. Information on the change in ambulance services was included in LAFCO's 2nd round EMS/Fire MSR completed in October 2016.

At the State level, the Little Hoover Commission (LHC) recently embarked on a review of California's vast network of more than 4,700 special districts. An LHC advisory committee was formed to focus on how healthcare districts are rethinking their roles and relevance in an era that has favored preventative care over traditional hospital care – the original reason for the existence of California healthcare districts.

In November 2016, the LHC advisory committee met with stakeholders to obtain background information and discuss questions that have swirled for several years among legislative committees, local grand juries, healthcare analysts, and LAFCOs. Contra Costa LAFCO staff was invited to attend this meeting. Some of the major discussion issues are summarized below:

- *If a healthcare district (HCD) does not operate or own a hospital should it continue to exist?*
- *If a healthcare district primarily channels its property tax allocations to other entities as healthcare grants, might this better be done by county health departments or other local governments?*
- *Do critics who maintain that healthcare districts without hospitals should be dissolved have too narrow a focus and lack understanding of shifts in the healthcare landscape?*

Issues raised during the discussion centered on the changing healthcare landscape and how HCDs are evolving, particularly those that do not own and operate hospitals; what makes HCDs special compared to counties; what if HCDs went away; how to avoid redundancies in services provided by counties and special districts; sharing best practices to make HCDs better; what should LAFCOs decide about HCDs; and how HCD hospitals share information with counterparts.

The LHC advisory committee will share the outcomes of the November 2016 meeting with the LHC for consideration as the LHC determines the direction of further study.

Due to the above activities around healthcare services, LAFCO staff feels it is timely to move forward with the 2nd round healthcare services MSR and SOI updates.

Draft Request for Proposals (RFP) and Scope of Services – 2nd Round Healthcare Services MSR/SOI Updates - Staff has prepared a draft RFP and Scope of Services for the Commission's consideration. As proposed, the 2nd round healthcare services MSR will focus on the following:

- ❖ Updating information presented in the 2007 MSR,
- ❖ Assessing the ability of healthcare service providers to maintain relevance and meet the changing healthcare landscape, and
- ❖ Identifying opportunities for coordination/collaboration among healthcare service providers in Contra Costa County.

Proposed Selection Process - In accordance with our previous MSRs, LAFCO staff proposes to establish a selection committee to help review and screen the written proposals, conduct the interviews, and make a recommendation. The selection committee will be composed of LAFCO and/or other municipal service professionals.

The review of proposals will include an assessment of written proposals, followed by interviews with the most qualified firms. Written proposals will be evaluated based on various criteria including, but not limited to, experience and qualifications of the firm, understanding of the required tasks, approach to conducting MSRs/SOI updates, experience and familiarity with LAFCO, qualifications of personnel who would be assigned to work with the Contra Costa LAFCO, and cost.

Following an assessment of the written proposals, the most qualified candidates will be invited to participate in an interview. Following the interviews, a summary of proposals and a recommendation will be presented to the Commission in accordance with the proposed timeline as shown in the RFP.

Staff has compiled a list of potential bidders. A notice regarding the RFP will be sent to these firms. In addition, the RFP will be posted on the Contra Costa LAFCO, CALAFCO and California Special Districts Association (CSDA) websites.

FINANCING:

Adequate funding is included in the FY 2016-17 budget to cover the anticipated costs associated with the healthcare services MSR/SOI updates.

RECOMMENDATIONS:

1. Provide input;
2. Authorize the circulation of the RFP for the 2nd round healthcare services MSR/SOI updates; and
2. Direct staff to return to the Commission with a recommended contract award in accordance with the proposed timeline.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments

1. Draft RFP – 2nd Round Healthcare Services MSR/SOI Updates (with Attachments A-C)
2. Draft Scope of Services – 2nd Round Healthcare Services MSR/SOI Updates

**Attachment 1
DRAFT
REQUEST FOR PROPOSALS FOR
COUNTYWIDE 2ND ROUND
HEALTHCARE SERVICES
MUNICIPAL SERVICE REVIEW/
SPHERE OF INFLUENCE UPDATES**

The Contra Costa Local Agency Formation Commission (LAFCO) is soliciting proposals from qualified consultants to prepare a countywide 2nd round municipal service review and sphere of influence updates of agencies that provide healthcare services in Contra Costa County.

REQUEST FOR PROPOSALS

2nd Round Healthcare Services

Municipal Service Review/Sphere of Influence Updates

I. Objective

LAFCO seeks proposals from professional consulting firms to prepare a 2nd round municipal service review (MSR) and sphere of influence (SOI) covering public agencies involved in providing healthcare services in Contra Costa County (see Scope of Services).

In addition to reviewing the three independent healthcare districts and Contra Costa County healthcare services/programs, the scope of work also involves providing an overview of private non-profit facilities/services to add context to the report.

This work is to be completed in compliance with applicable California Government Code provisions (Attachment A) and Contra Costa LAFCO MSR guidelines (Attachment B).

II. Healthcare Services

Healthcare Services are a Local Issue - In 2007, Contra Costa LAFCO completed its inaugural MSR and SOI updates covering healthcare services (prepared by Dudek and The Abaris Group). The 2007 MSR covered the three independent HCDs - Mt. Diablo HCD (MDHCD), Los Medanos Community HCD (LMCHD) and West Contra Costa HCD (WCCHD) – along with Contra Costa County Health Services. *Since that time, there have been notable changes in the districts that provide healthcare services in Contra Costa County.*

In 2012, LAFCO reorganized the MDHCD which resulted in decreasing the size of the district and converting the district to a subsidiary district to the City of Concord – now called the Concord/Pleasant Hill Healthcare District (CPHHCD). The Concord City Council sits as the Board of Directors of the CPHHCD. In FY 2016-17, the District awarded \$240,000 in grant funding to 15 community organizations. The funding is directed at improving the health and welfare of people of all ages in the Concord and Pleasant Hill communities.

Another significant change occurred with WCCHD. The WCCHD has struggled financially since the 1990s. Although the District emerged from a 2006 bankruptcy, it never managed to regain financial solvency and fell further into debt. In 2015, WCCHD closed its hospital, a full service acute care facility. In October 2016, WCCHD filed for bankruptcy. Because WCCHD no longer operates a hospital, and does not currently provide any other health-related services, it is a candidate for reorganization. In December 2016, LAFCO completed a special study of governance options for WCCHD (available at <http://www.contracostalafco.org/>). LAFCO has delayed taking action to dissolve or reorganize the WCCHD pending the current bankruptcy.

Another change recently occurred in the provision of ambulance services in Contra Costa County. County Service Area EM-1 (CSA EM-1) provides funding for paramedic ambulance services. Contra Costa County recently entered into an exclusive agreement for ambulance services with the Contra Costa County Fire Protection District (CCCFPD). The CCCFPD and its private subcontractor American Medical Response (AMR) now provide ambulance service to most of Contra Costa County - except for those areas served by the Moraga Orinda Fire District and the San Ramon Valley FPD, which provide their own ambulance services. The partnership includes a combined dispatch center. Under the new system, CCCFPD dispatches the ambulance directly. This new system went into effect January 2016.

Healthcare Services are a Statewide Issue – Recently, the Little Hoover Commission (LHC) embarked on a review of California’s vast network of more than 4,700 special districts. An LHC advisory committee was formed to focus on how healthcare districts are rethinking their roles and relevance in an era that has favored preventative care over traditional hospital care – the original reason for the existence of California healthcare districts.

In November 2016, the LHC advisory committee met with stakeholders to obtain background information and discuss questions that have swirled for several years among legislative committees, local grand juries, healthcare analysts, and LAFCOs. Contra Costa LAFCO staff attended this meeting. Some of the major discussion issues are summarized below:

- *If a healthcare district does not operate or own a hospital should it continue to exist?*
- *If a healthcare district primarily channels its property tax allocations to other entities as healthcare grants, might this better be done by county health departments or other local governments?*
- *Do critics who maintain that healthcare districts without hospitals should be dissolved have too narrow a focus and lack understanding of shifts in the healthcare landscape?*

Issues raised during the discussion centered on the changing healthcare landscape and how HCDs are evolving, particularly those that do not own and operate hospitals; what makes HCDs special compared to counties; what if HCDs went away; how to avoid redundancies in services provided by counties and special districts; sharing best practices to make HCDs better; what should LAFCOs decide about HCDs; and how HCD hospitals share information with counterparts.

The LHC advisory committee will share the outcomes of the November 2016 meeting with the LHC for consideration as the LHC determines the direction of further study.

Focus of LAFCO’s 2017 MSR - Based on local and statewide healthcare issues, the 2nd round MSR will focus on the following: 1) updating information presented in the 2007 MSR, 2) assessing the ability of healthcare service providers to maintain relevance and meet the changing healthcare landscape, and 3) identifying opportunities for coordination/collaboration among healthcare service providers in Contra Costa County.

III. Background

In 1963, the State Legislature created LAFCOs to help direct and coordinate California’s growth in a logical, efficient and orderly manner. Each of the 58 counties in California has a LAFCO. LAFCOs are charged with discouraging urban sprawl, encouraging orderly boundaries and formation of local agencies, preserving agricultural lands and open space, and regulating the extension of services outside jurisdictional boundaries.

In 2001, pursuant to the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH Act”; Government Code §56000 et seq.), LAFCO acquired responsibility for preparing MSRs. On or before January 1, 2008, and every five years thereafter, LAFCO shall, as necessary, review and update the SOI for each local agency. In conjunction with the SOI updates, LAFCO shall prepare corresponding MSRs.

Contra Costa LAFCO is responsible for reviewing and updating SOIs for 94 local agencies in Contra Costa County (19 cities and 75 special districts). In 2013, Contra Costa LAFCO completed its inaugural MSR cycle, and is currently working on 2nd round reviews. All Contra Costa LAFCO MSRs are available online at http://www.contracostalafo.org/municipal_service_reviews.htm.

IV. Scope of Services

This project consists of reviewing three healthcare districts (CPHHCD, LMCHD, WCCHD – see Attachment C – map of healthcare districts) along with the respective roles of Contra Costa County Health Services and private, non-profit hospitals and healthcare providers in Contra Costa County to provide context in the report.

The CKH Act requires LAFCO to prepare an analysis of each service provider and a written statement of determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

A draft scope of services is enclosed with this RFP (Attachment 2). A final scope of services will be negotiated with the firm selected to conduct these service reviews and will be included with the professional services agreement to be approved by LAFCO.

V. Budget

Proposals that demonstrate that the final product will meet the requirements of the CKH Act and provide useful information in a concise format at the lowest cost will be looked upon most favorably.

VI. Schedule

The schedule associated with this RFP is as follows:

RFP Issue Date	February 9, 2017
Proposals Due	March 17, 2017
Screening/Consultant Interviews	March 17 – April 14, 2017
Commission consideration of contract approval	May 10, 2017
Consultant work begins	June 1, 2017

VII. Proposal Requirements

Responses to this RFP must include all of the following:

1. Statement about the firm that describes history, competencies and resumes of the principal and of all professionals who will be involved in the work, including the following:
 - Management level understanding of how municipal services are financed and delivered
 - Familiarity with the CKH Act, the role and functions of LAFCOs, and the MSR process

- Experience with and knowledge of the financial structure and challenges of public and nonprofit healthcare service systems
 - Experience in governmental organization analysis, including performance measurement and evaluation
 - Ability to facilitate and synthesize input from a variety of sources
 - Ability to interpret varied financial, budget and planning documents
 - Experience with the public input process and presentation and dissemination of information to local agencies and the public for review and comment
 - Availability of all professionals who will be involved in the work, including any sub-consultants.
2. Identification of the lead professional responsible for the project and others who will be involved in the day-to-day work.
 3. Identification of any sub-consultants who will be involved. If sub-consultants are proposed, describe the work they will perform and include the same information for each sub-consultant as required for items 1 and 2 above.
 4. Description of the anticipated approach for this project, discussion of any suggested changes and/or additional details relating to the draft scope of services.
 5. Statement of similar or related experience completed within the last three years and references for each such project, including contact name, address, phone number and email address.
 6. An overall project schedule, including the timing of major work tasks.
 7. Disclosure of potential conflicts of interest with local agencies in Contra Costa County.
 8. Identification of any information, materials and/ or work assistance required from the Contra Costa LAFCO to complete the project.
 9. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost and estimated work hours for each major work task identified in the draft scope of services.
 - c. The hourly rates for each person who will be involved in the work, including the rates for any sub-consultants.

VIII. Submittal Requirements

- One reproducible, unbound hard copy and one electronic copy in Adobe PDF format (disk) of the proposal shall be received no later than **4:00 p.m., on Friday, March 17, 2017**, at the Contra Costa LAFCO office, located at 651 Pine Street, 6th, Martinez, CA 94553 Attn: Executive Officer. No faxed or e-mailed proposals will be accepted. Proposals received after the deadline will not be considered. If delivery is to be in person, please call the LAFCO office at (925) 335-1094 to arrange a delivery time.
- Each proposal shall be submitted in a sealed envelope and marked with the title of the RFP.
- All proposals will become property of the Contra Costa LAFCO.
- Cost of preparation of proposals shall be borne by the proposers.

- Proposals shall be signed by an authorized employee or officer in order to receive consideration.
- Contra Costa LAFCO is not responsible for proposals delivered to a person/location other than that specified herein.
- LAFCO reserves the right to reject any and all proposals.

Summary of Insurance Requirements

Insurance Type	Coverage Limit
General Liability	\$1,000,000
Professional Liability	\$1,000,000
Motor Vehicle Liability	\$ 500,000
Employers' Liability	\$ 100,000
Workers' Compensation	Statutory

IX. Selection Process

Based on relevant work experience, the completeness of the responses, cost and the overall project approach identified in the proposals received, the most qualified firms will be invited, at their expense, for an interview with the selection committee. Tentatively, interviews will be scheduled for the week of April 10, 2017.

Following interviews, the most qualified firm will be selected and a proposed contract for services, including budget, schedule and scope of services will be negotiated. Final selection will be made by LAFCO by approving a contract for services. Action by the Contra Costa LAFCO on a proposed contract is tentatively scheduled for Wednesday, May 10, 2017.

X. LAFCO Contact

Lou Ann Texeira, Executive Officer
Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553

Phone: (925) 335-1094

Email: LouAnn.Texeira@lafco.cccounty.us

XI. Attachments

1. California Government Code sections relating to MSRs and SOI updates (Attachment A)
2. Contra Costa LAFCO MSR Guidelines (Attachment B)
3. Map of Healthcare Districts in Contra Costa County (Attachment C)
4. Draft Scope of Services (Attachment 2)

XII. Reference Information

For general information about the Contra Costa LAFCO, including previously completed MSRs, please visit our website: www.contracostalafco.org

ATTACHMENT A – Relevant California Government Code Sections

56430

(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.

(c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence of water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.

(d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.

(e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

56425

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

(1) The present and planned land uses in the area, including agricultural and open-space lands.

(2) The present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

(h) In determining a sphere of influence, the commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

ATTACHMENT B – Contra Costa LAFCO Municipal Service Review Guidelines

- 1) Purpose - To provide guidance to the Contra Costa Local Agency Formation Commission in preparing and conducting municipal service reviews.
- 2) Background - Effective January 1, 2001, the CKH Act requires LAFCO to review municipal services. The requirement for Municipal Service Reviews (MSRs) is in response to the identified need of a more coordinated and efficient public service structure to support California's growth. The MSR provides LAFCO with a tool to comprehensively study existing and projected public service conditions and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are efficiently and cost-effectively provided.
- 3) Goals and Objectives - LAFCOs are required to conduct MSRs and prepare written statements of determinations with respect to each of the following [§56430], as revised 1/1/11.
 - a) Growth and population projections for the affected area.
 - b) The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI.
 - c) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the SOI.
 - d) Financial ability of agencies to provide services.
 - e) Status of, and opportunities for, shared facilities.
 - f) Accountability for community service needs, including governmental structure and operational efficiencies.
 - g) Any other matter related to effective or efficient service delivery, as required by Commission policy.

As part of the MSR, the Commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the SOI, including, but not limited to, the consolidation of governmental agencies.

In conducting an MSR, the Commission may include a review of whether the agencies under review, including any public water system as defined in 56430, are in compliance with the California Safe Drinking Water Act. Further, the Commission may request information, as part of an MSR, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies as defined in 56430.

The MSR process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of public services per §56430. However, LAFCO, other local agencies and the public may subsequently use the information contained in the MSRs as a basis to pursue changes of organization or reorganization or sphere of influence amendments.

- 4) When Prepared - LAFCO will determine when MSRs are necessary. Generally, reviews will be prepared in conjunction with SOI studies or updates; however, MSRs may also be conducted independent of SOI updates based on a number of factors to be determined by the Commission. Such factors may include public health or safety issues, service provision issues associated with areas of potential growth or development, etc.

Minor amendments to a sphere of influence, as determined by LAFCO, will not require an MSR.
- 5) Services Addressed - MSRs will address identified services within the service review boundary of those agencies under LAFCO's jurisdiction and are associated with growth and development. Target services include, but are not limited to, water, sewer, drainage, libraries, roads, parks, healthcare, broadband (high-speed internet access and use), police, and fire protection. General government services such as courts, social services, human resources, treasury, tax collection and administrative services will not be included.
- 6) Agencies Included - Local agencies whose boundary changes are subject to LAFCO review, or are required to have an SOI, are subject to MSRs, and LAFCO shall encourage those local agencies to fully participate in the service review process. Services provided by other agencies (i.e., federal, state, private) may be included in the service review in order to provide a comprehensive overview of service and provide context.
- 7) Boundaries - LAFCO will determine the geographic boundaries and agencies that will be the subject of an MSR. Factors that may be considered in determining a service review boundary include, but are not limited to, existing city and special district jurisdictional and sphere boundaries; topography; geography; community boundaries; tax/assessment zones; infrastructure locations; transportation systems and roads; areas with shared facilities; areas with shared social and economic communities of interest; plus other factors as determined by LAFCO.

Service reviews may be conducted for a single agency, multiple agencies, on a sub-regional or countywide basis. An MSR may review services outside Contra Costa County, in conjunction with multi-county service providers (e.g., Byron Bethany Irrigation District, Dublin San Ramon Services District, East Bay Municipal Utility District, East Bay Regional Park District). Generally, multi-county MSRs will be prepared by the LAFCO of the principal county (§56066). Inter-agency coordination is encouraged.
- 8) Environmental Determination - The California Environmental Quality Act (CEQA) encourages the consideration of multiple related actions where appropriate. Whenever possible, LAFCO will work to streamline the MSR process by a) integrating SOI proposal processing and related CEQA processes with the MSR process; b) placing high priority on reviews of services affected by pending or anticipated proposals; c) working with city and county planners to identify areas where the short-term conduct of service reviews is needed to support orderly growth and development; and d) requesting that technical information needed for service reviews be included in the General, Specific and Master Service Plans of land use agencies and special districts.

Most MSRs will qualify for Categorical or Statutory Exemption under CEQA, as they are studies and are not typically accompanied by specific development proposals. Subsequent SOI actions may require additional environmental review.

9) Types of Service Reviews - Municipal Service Reviews will fall into two general categories:

- a) Routine reviews are anticipated to be uncomplicated and straightforward with few concerns about the adequacy of public services. Routine service reviews may be conducted for single agencies or for multiple agencies that provide similar services. The boundary of a routine service review may cover a sub-region, region or the County.
- b) Intensive reviews are anticipated to require detailed analysis of complex and controversial issues. An intensive MSR may result from a pending LAFCO proposal, or of service provision concerns otherwise identified by LAFCO.

10) Preparation

- a) The Commission will determine the priority, schedule, procedure and content for service reviews.
- b) LAFCO staff will provide a survey/questionnaire to the affected agency(ies) identified in the service review work plan.
- c) If needed, LAFCO may hold scoping meetings. All affected agencies, interested agencies and persons or entities requesting notice will receive a mailed notice.
- d) LAFCO staff will review submitted MSR information, coordinate and follow-up with the affected agencies.
- e) LAFCO will prepare or cause to be prepared a Draft MSR for circulation to affected agencies and other interested parties for review and comment.
- f) The Draft MSR will be considered at a public hearing, at which time the Commission may accept the report with or without modifications, adopt the required determinations, direct staff to prepare the Final MSR, and take other actions as appropriate.
- g) The cost associated with conducting the baseline MSRs will be incorporated in the annual LAFCO budget, and will be shared by the funding agencies. Agencies requiring a separate or expedited review will be required to fund the MSR.

11) Timing

On or before January 1, 2008, and every five years thereafter, the Commission shall, as necessary, review and update every sphere of influence [§56425(g)]. MSRs will be completed, as necessary, concurrent with SOI formations, updates or substantial amendments, but not less than every five years.

12) Factors for Analysis - As part of its review of municipal services, LAFCO must prepare a written statement of its determination with respect to the following factors. [§56430]

Determination 1: Growth and population projections for the affected area.

The efficient provision of public services is linked to an agency's ability to plan for future needs. Such factors as projected growth in and around the agency's service areas and impact of land use plans and growth patterns on service

demands may be reviewed. In making a determination on growth and population projections, LAFCO may consider an agency's ability to plan for future need.

Determination 2: *The location and characteristic of any DUCs within or contiguous to the SOL.*

Determination 3: *Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the SOL.*

The present and planned capacity of public facilities and services is linked to an agency's ability to plan for future needs, including infrastructure (e.g., water, sewer, fire, broadband, etc.). The term "infrastructure needs and deficiencies" refers to the status of existing and planned infrastructure and its relationship to the quality of levels of service that can or need to be provided. In making a determination on infrastructure needs or deficiencies, LAFCO may consider ways in which the agency has the ability and capacity to provide service. LAFCO shall consider service and infrastructure needs related to sewer, water and fire protection within a DUC as defined by LAFCO.

Determination 4: *Financial ability of agencies to provide services.*

LAFCOs must weigh a community's public service needs against the resources available to fund the services. In making a determination on the financial ability of an agency to provide services, LAFCO may review such factors as an agency's potential for shared financing and/or joint funding applications, cost avoidance opportunities, rate structures, and other fiscal constraints and opportunities.

Determination 5: *Status of, and opportunities for, shared facilities.*

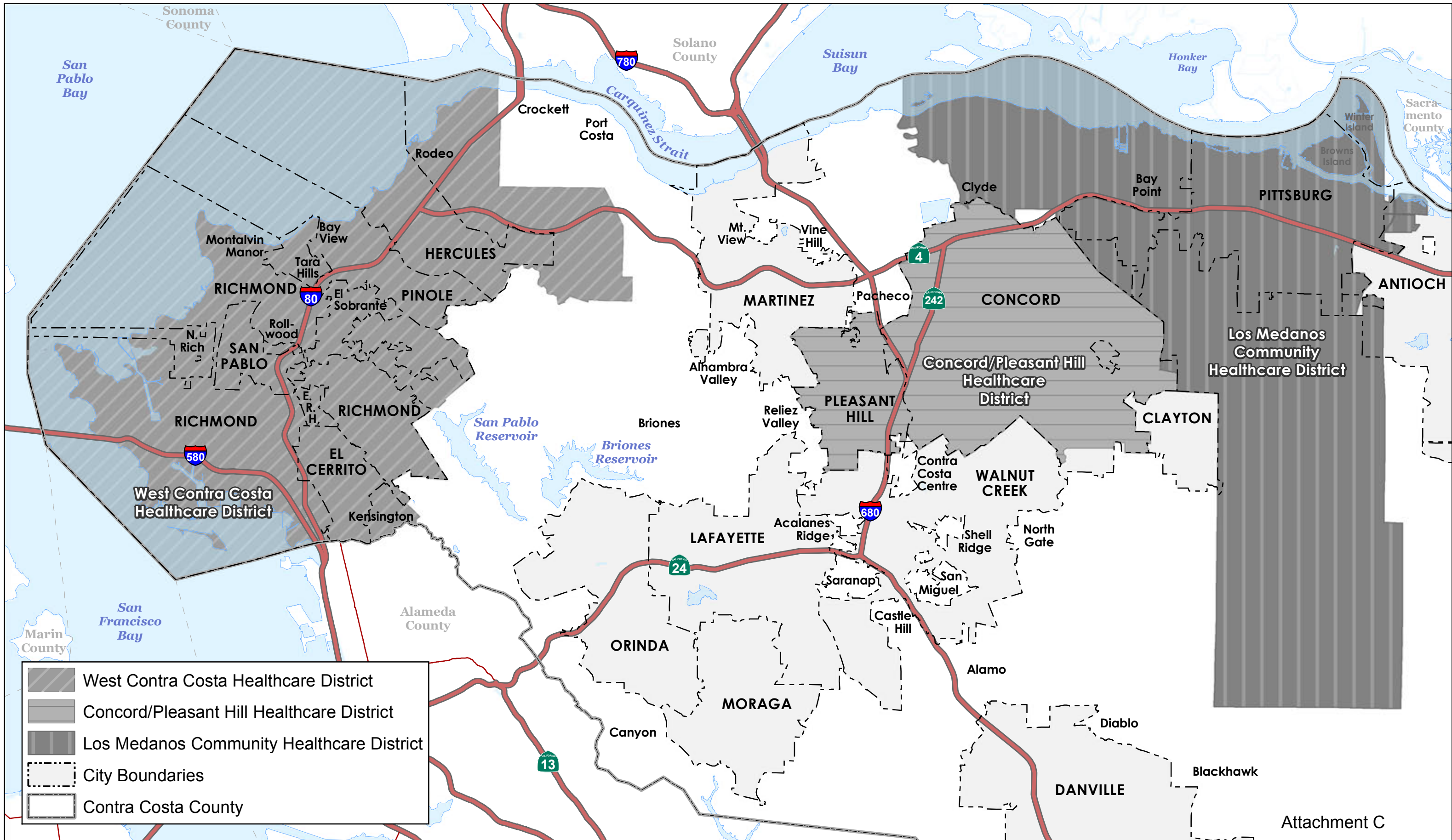
If service providers develop strategies for sharing resources, public service costs may be reduced and service efficiencies increased. In making a determination on opportunities for shared facilities, LAFCO may consider if an agency's facilities are currently being utilized to capacity and whether efficiencies can be achieved by accommodating the facility needs of adjacent agencies.

Determination 6: *Accountability for community service needs, including governmental structure and operational efficiencies.*

The service review may include options to provide more logical service boundaries to the benefit of customers and regional planning goals and objectives. In making a determination on government structure, LAFCO may consider possible consolidations, mergers and/or reorganizations. The service review may also consider the agency's management efficiencies in terms of operations and practices in relation to the agency's ability to meet current and future service demands.

Determination 7: *Any other matter related to effective or efficient service delivery, as required by Commission policy.*

Healthcare Disticts and Cotermminus SOIs



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.

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Attachment 2
REQUEST FOR PROPOSALS
Countywide 2nd Round
Healthcare Services Municipal Service Review
DRAFT SCOPE OF SERVICES

Contra Costa LAFCO will conduct a 2nd round municipal service review (MSR) and sphere of influence (SOI) updates of healthcare services in Contra Costa County. Contra Costa LAFCO completed its inaugural review of these services in 2007. The 2007 MSR report is available online at www.contracostalafco.org.

Countywide Healthcare Service Providers

The geographic area for this MSR is all of Contra Costa County. Municipal service providers, including the three independent special districts and Contra Costa County, will be the primary focus of the MSR. Upon completion of the MSR, LAFCO will update the spheres of influence (SOIs) for the special districts, as necessary.

This project consists of reviewing three healthcare districts - Concord/Pleasant Hill Healthcare District (CPHHCD), Los Medanos Community Healthcare District, West Contra Costa Healthcare D (see Attachment C – map of healthcare districts) and Contra Costa County Health Services.

OTHER AGENCIES

Other agencies such as private and non-profit hospitals, clinics and major healthcare providers in Contra Costa County may also be included in the MSR to the extent necessary to establish relationships, quantify services and provide a comprehensive overview of services countywide.

Background

California Government Code §56430 requires LAFCO to conduct MSRs in order to develop information for updating SOIs. The statute requires LAFCO to prepare and adopt a written determination relating to each of the following:

- (1) Growth and population projections for the affected area
- (2) The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the SOI
- (4) Financial ability of agencies to provide services
- (5) Status of, and opportunities for, shared facilities
- (6) Accountability for community service needs, including governmental structure and operational efficiencies
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy

LAFCO staff will provide information concerning the location of DUCs. The MSR report will include recommended determinations for each local agency covered in the report.

California Government Code §56425 requires LAFCO, when determining an SOI, to prepare and adopt a written statement of determination for each local agency regarding the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.

2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any DUCs within the existing SOI.
6. The nature, location, and extent of any functions or classes of services provided by existing districts.

The MSR will include recommended SOI determinations for each SOI update covered in the MSR report.

Healthcare Service Issues and Topics

In addition to those issues contained in the statute, the following is a working list of healthcare service issues and topics that have also been identified for discussion in the second round MSR:

- Healthcare district's ability to assess and address local healthcare needs
- Healthcare districts' ability to meet future public healthcare challenges, including the possible dismantling of the Affordable Care Act
- Healthcare districts' role in providing Whole Person Care - premised on meeting the full spectrum of needs—medical, behavioral, socioeconomic and beyond—in a coordinated and integrated way
- Relationships/coordination among public and private healthcare service providers in the County
- Regulatory changes in healthcare services since the last MSR in 2007
- Best management practices for grant givers (e.g., internal control systems, pre-grant review, pre-award process, managing performance, assessing and using results, etc.)
- Fiscal impacts including fluctuations in tax revenue; ability of local agencies to meet bond debt service and/or out-year pension and healthcare obligations; unfunded liabilities; etc.

We understand that the County produced a Community Health Needs Assessments (CHNA) in 2010, and that the hospitals in Contra Costa County (i.e., John Muir, Kaiser Richmond, Kaiser Walnut Creek, San Ramon Regional and Sutter Antioch) have produced more recent CHNAs (available online). These reports may be useful in addressing some of the topics listed above.

Service Review Task Overview

The countywide healthcare services MSR will be conducted in accordance with the California Government Code and local LAFCO guidelines. Preparation of the MSR will include the following steps, although other activities may be necessary:

1. Data Collection and Review

- Work with LAFCO staff to identify appropriate criteria to be used in service review
- Work with LAFCO staff to develop and distribute initial and supplemental requests for information (RFIs)
- Collect information through survey, research, interview, meetings and other appropriate means
- Compile information in a database or other appropriate format
- Verify compiled information with agencies

Timing and work products: On or before (insert deadline), Consultant shall deliver to LAFCO staff complete information for each agency

2. Administrative Draft MSR Report

- Following compilation and analysis of data, prepare an administrative draft MSR report that includes the following: table of contents, executive summary, agency profiles (i.e., population, services/programs, user info, budget/financial info, other relevant info) tables, graphs and agency maps (mapping will be provided by LAFCO), quantitative and qualitative information relating to the MSR and SOI factors including discussion of critical issues facing service providers, recommended determinations per 56425 and 56430, governance/boundary options, and recommended SOI updates
- In conjunction with LAFCO staff, distribute administrative draft to the districts and the County for staff-to-staff review and comment
- Discuss/address comments with local agencies and LAFCO staff

Timing and work products: On or before (insert deadline), Consultant shall deliver to LAFCO staff administrative draft MSR

3. Public Review MSR Report

- Prepare a Public Review MSR report including updated information from Task 2
- In conjunction with LAFCO staff, distribute or make available the Public Review Draft to LAFCO, local agencies and the general public
- Present Public Review MSR report to LAFCO at a public hearing

Timing and work products: On or before (insert deadline), Consultant shall deliver to LAFCO a Public Review MSR (Word and PDF formatted versions)

4. Final MSR Report

- Prepare a Final MSR report incorporating written and oral comments for consideration by the Commission at a public hearing (if necessary, prepare a comment log)
- Present Final MSR report along with recommended determinations and SOI recommendations to LAFCO at a public hearing for adoption
- Based on direction from the Commission and LAFCO staff, and subsequent to the public hearing on the Final MSR report, finalize the MSR report for circulation and posting on the LAFCO website

Timing and work products: On or before (insert deadline), Consultant shall deliver to LAFCO a MS Word formatted and PDF formatted version of the Final MSR report

In accordance with the work plan, Consultant is expected to:

- Conduct the service review process in a collaborative fashion with opportunities for input and review by each of the agencies being reviewed.
- Encourage public participation in the service review process.
- Conduct the required analysis in the most cost-effective manner possible.
- Utilize information that is currently available, including information obtained from LAFCO's initial RFI, the 2016 LAFCO *Special Study of Governance Options – West Contra Costa Healthcare District*, various community healthcare needs assessments prepared by Contra Costa County and local hospitals, the 2007 LAFCO Healthcare Services MSR, etc.
- Create a product that will be useful to the Commission in reviewing and updating SOIs and future proposals for changes of organization, beneficial to agencies as a planning tool, and readily accessible to, and easily understandable by, the general public.



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John W. Monroe, ASA, MAAA, EA
Vice President & Actuary
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January 3, 2017

February 8, 2017
Agenda Item 10

Ms. Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association
Reconciliations of Employer Contribution Rate and Unfunded Actuarial Accrued
Liability Reconciliation by Cost Group & Unfunded Actuarial Accrued Liability by
Employers Based on the December 31, 2015 Actuarial Valuation**

Dear Gail:

As requested, we are providing the following information regarding the December 31, 2015 valuation.

Exhibit A – A reconciliation of employer contribution rate changes separately for each of CCCERA's cost groups.

Exhibit B – A reconciliation of the Unfunded Actuarial Accrued Liability (UAAL) separately for each of CCCERA's cost groups.

Exhibit C – Allocation of the UAAL for each participating employer.

RECONCILIATION OF EMPLOYER CONTRIBUTION RATE CHANGES FOR EACH COST GROUP

Exhibit A details the changes in the recommended employer contribution rates for each cost group from the December 31, 2014 valuation to the December 31, 2015 valuation.

OBSERVATIONS

- The average employer rate decreased from 40.06% of payroll as of December 31, 2014 to 39.23% of payroll as of December 31, 2015. As discussed in our December 31, 2015 actuarial valuation report, this decrease is due to an investment return on actuarial value (i.e. after smoothing) greater than the 7.25% assumed rate, lower than expected COLA increases for retirees and beneficiaries and other experience gains all offset to some degree by the changes in actuarial assumptions (including the explicit administrative expense load). Lower than expected COLA increases for retirees and beneficiaries decreased the average employer contribution rate by 0.29%. The investment gain decreased the average employer contribution rate by 0.99% of payroll. The investment gain was allocated to each cost group in proportion to the assets for each cost group. The estimated impact of the investment gain varies by cost group with the Safety cost groups experiencing larger rate decreases.

- The changes in actuarial assumptions increased the average employer contribution rate by a total of 2.56% of payroll (including the impact of the explicit administrative expense load).
- Note that there were also other various changes shown in Exhibit A including the 18-month delay in implementation of the contribution rates calculated in the December 31, 2015 valuation, the effect of actual versus expected total payroll growth and the net effect of other experience.

RECONCILIATION OF UAAL FOR EACH COST GROUP

Exhibit B presents the changes in the UAAL by cost group from the December 31, 2014 valuation to the December 31, 2015 valuation. Note that we have combined the results for Cost Group #1 and #2 and Cost Group #7 and #9 as the UAAL for these cost groups is still pooled.

Exhibit B shows that the decrease in UAAL is primarily due to an investment return on actuarial value (i.e. after smoothing) greater than the 7.25% assumed rate, actual contributions greater than expected and lower than expected COLA increases for retirees and beneficiaries all offset to some degree by the changes in actuarial assumptions. The investment gain was again generally allocated amongst the cost groups based on the valuation value of assets for each cost group. All other elements of the changes in UAAL were determined based on the data specific to each separate cost group.

ALLOCATION OF UAAL BY EMPLOYER

Exhibit C provides an allocation of the UAAL as of December 31, 2015 by employer.

Since the depooling action taken by the Board effective December 31, 2009, employers that are now in their own cost group have their UAAL determined separately in the valuation. For employers that do not have their own cost group, there is no UAAL maintained on an employer-by-employer basis in the valuation. In those cases, we develop contributions to fund the UAAL strictly according to projected payroll for each employer. We then use those UAAL contributions to develop a UAAL for each participating employer. Note that the UAAL we calculate for each employer is not necessarily the liability that would be allocated to that employer in the event of a plan termination or withdrawal by that employer.

Based on the above method, we have prepared the breakdown of the UAAL for each participating employer as shown in the enclosed Exhibit C. We also show the projected payroll for each participating employer that was used in the determination of the UAAL.

All results shown in this letter are based on the December 31, 2015 actuarial valuation including the participant data and actuarial assumptions on which that valuation was based. That valuation and these calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Ms. Gail Strohl
January 3, 2017
Page 3

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John Monroe". The signature is written in a cursive, slightly informal style.

John Monroe

JEM/bbf
Enclosures

EXHIBIT A

Reconciliation of Recommended Employer Contribution from December 31, 2014 to December 31, 2015 Valuation						
	Cost Group #1 General County and Small Districts	Cost Group #2 General County and Small Districts	Cost Group #3 Central Contra Costa Sanitary District	Cost Group #4 Contra Costa Housing Authority	Cost Group #5 Contra Costa County Fire Protection District	Cost Group #6 Small Districts Non-enhanced
Recommended Employer Contribution Rate in December 31, 2014 Valuation	33.14%	29.36%	55.71%	41.76%	31.59%	26.62%
Effect of investment gain ⁽¹⁾	-0.74%	-0.74%	-0.92%	-0.93%	-1.23%	-0.74%
Effect of additional UAAL contributions from Sanitary District	0.00%	0.00%	-0.57%	0.00%	0.00%	0.00%
Effect of actual contributions smaller/(larger) than expected contributions due to delay in implementation of contribution rates calculated in 12/31/2014 valuation	-0.40%	-0.40%	-0.85%	-0.01%	-0.49%	-0.07%
Effect of higher/(lower) than expected individual salary increases	-0.13%	-0.13%	-0.12%	-0.68%	-0.69%	-0.76%
Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total payroll	-0.51%	-0.51%	-1.53%	0.38%	-0.21%	0.41%
Effect of lower than expected COLA increases for retirees and beneficiaries	-0.20%	-0.20%	-0.27%	-0.21%	-0.32%	-0.09%
Effect of changes in member demographics on Normal Cost	-0.43%	-0.54%	-0.42%	-0.68%	-0.66%	0.20%
Effect of mortality (gain)/loss for retirees and beneficiaries	0.12%	0.12%	0.09%	-0.01%	-0.31%	-0.42%
Effect of other experience (gains)/losses ⁽²⁾	0.00%	-0.03%	0.47%	0.60%	1.55%	-0.83%
Effect of changes in actuarial assumptions	0.97%	1.07%	0.64%	1.32%	1.26%	0.39%
Effect of administrative expense load	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>
Total Change	<u>-0.65%</u>	<u>-0.69%</u>	<u>-2.81%</u>	<u>0.45%</u>	<u>-0.43%</u>	<u>-1.24%</u>
Recommended Employer Contribution Rate in December 31, 2015 Valuation	32.49%	28.67%	52.90%	42.21%	31.16%	25.38%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions.

⁽¹⁾ Return on the valuation value of assets of 8.79% was greater than the 7.25% assumed in the 2014 valuation.

⁽²⁾ Other differences in actual versus expected experience including (but not limited to) disability, withdrawal, retirement and leave cashout experience.

EXHIBIT A

Reconciliation of Recommended Employer Contribution from December 31, 2014 to December 31, 2015 Valuation							
	Cost Group #7 Safety County	Cost Group #8 Contra Costa and East Fire Protection Districts	Cost Group #9 Safety County	Cost Group #10 Moraga-Orinda Fire District	Cost Group #11 San Ramon Valley Fire District	Cost Group #12 Rodeo-Hercules Fire Protection District Non-enhanced	Total Average Recommended Rate
Recommended Employer Contribution Rate in December 31, 2014 Valuation	77.77%	78.93%	70.63%	69.66%	83.79%	89.27%	40.06%
Effect of investment gain ⁽¹⁾	-1.79%	-2.61%	-1.79%	-2.25%	-1.80%	-1.15%	-0.99%
Effect of additional UAAL contributions from Sanitary District	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.02%
Effect of actual contributions smaller/(larger) than expected contributions due to delay in implementation of contribution rates calculated in 12/31/2014 valuation	-0.68%	-0.64%	-0.68%	0.29%	-0.57%	-0.63%	-0.45%
Effect of higher/(lower) than expected individual salary increases	0.00%	0.13%	0.00%	-1.62%	1.18%	0.44%	-0.09%
Effect of amortizing prior year's UAAL over a smaller/(larger) than expected projected total payroll	-1.70%	-0.36%	-1.70%	3.58%	-0.88%	-4.56%	-0.72%
Effect of lower than expected COLA increases for retirees and beneficiaries	-0.53%	-0.93%	-0.53%	-0.66%	-0.43%	-0.39%	-0.29%
Effect of changes in member demographics on Normal Cost	-0.27%	-0.24%	-1.58%	-0.04%	0.16%	-0.62%	-0.57%
Effect of mortality (gain)/loss for retirees and beneficiaries	-1.65%	-1.39%	-1.65%	-0.75%	-0.99%	0.28%	-0.18%
Effect of other experience (gains)/losses ⁽²⁾	-0.45%	1.05%	-0.45%	-4.34%	-1.17%	-1.52%	-0.08%
Effect of changes in actuarial assumptions	5.03%	7.35%	5.50%	5.63%	3.18%	4.44%	1.89%
Effect of administrative expense load	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>	<u>0.67%</u>
Total Change	<u>-1.37%</u>	<u>3.03%</u>	<u>-2.21%</u>	<u>0.51%</u>	<u>-0.65%</u>	<u>-3.04%</u>	<u>-0.83%</u>
Recommended Employer Contribution Rate in December 31, 2015 Valuation	76.40%	81.96%	68.42%	70.17%	83.14%	86.23%	39.23%

Note: These rates do not include any employer subvention of member contributions, or member subvention of employer contributions.

⁽¹⁾ Return on the valuation value of assets of 8.79% was greater than the 7.25% assumed in the 2013 valuation.

⁽²⁾ Other differences in actual versus expected experience including (but not limited to) disability, withdrawal, retirement and leave cashout experience.

EXHIBIT B

Reconciliation of Unfunded Actuarial Accrued Liability from December 31, 2014 to December 31, 2015 Valuation					
	Cost Group #1 and #2 General County and Small Districts	Cost Group #3 Central Contra Costa Sanitary District	Cost Group #4 Contra Costa Housing Authority	Cost Group #5 Contra Costa County Fire Protection District	Cost Group #6 Small Districts Non-enhanced
1. Unfunded actuarial accrued liability at beginning of year	\$693,303,150	\$100,955,188	\$10,721,870	\$6,334,081	\$545,720
2. Gross Normal cost at middle of year	130,311,169	7,995,426	1,371,348	936,482	231,712
3. Expected employer and member contributions	(209,887,008)	(18,926,801)	(2,699,261)	(1,511,005)	(323,528)
4. Interest (whole year on (1) plus half year on (2) + (3))	<u>47,379,854</u>	<u>6,922,989</u>	<u>729,199</u>	<u>438,394</u>	<u>36,236</u>
5. Expected unfunded actuarial accrued liability at end of year	<u>\$661,107,165</u>	<u>\$96,946,802</u>	<u>\$10,123,156</u>	<u>\$6,197,952</u>	<u>\$490,140</u>
6. Actuarial (gain)/loss due to all changes:					
(a) Gain from investment return	\$(56,661,014)	\$(3,797,527)	\$(656,806)	\$(622,029)	\$(83,443)
(b) Gain from additional UAAL contributions by Sanitary District	0	(2,322,759)	0	0	0
(c) Actual contributions less/(more) than expected	(30,214,447)	(3,495,589)	(7,542)	(247,186)	(7,958)
(d) Higher/(lower) than expected individual salary increases	(9,659,616)	(490,740)	(480,527)	(352,098)	(85,917)
(e) Lower than expected COLA increases for retirees and beneficiaries	(15,608,956)	(1,115,203)	(149,992)	(164,663)	(10,611)
(f) Mortality (gain)/loss for retirees and beneficiaries	9,346,104	389,554	(9,523)	(155,262)	(47,313)
(g) Other experience (gain)/loss ⁽¹⁾	(2,918,096)	2,023,470	430,298	784,179	(92,335)
(h) Changes in actuarial assumptions	<u>40,045,512</u>	<u>44,220</u>	<u>432,801</u>	<u>355,946</u>	<u>33,272</u>
(i) Total changes	<u>\$(65,670,513)</u>	<u>\$(8,764,574)</u>	<u>\$(441,291)</u>	<u>\$(401,113)</u>	<u>\$(294,305)</u>
7. Unfunded actuarial accrued liability at end of year	\$595,436,652	\$88,182,228	\$9,681,865	\$5,796,839	\$195,835

Note: Results may not add due to rounding.

⁽¹⁾ Other differences in actual versus expected experience including (but not limited to) disability, withdrawal, retirement and leave cashout experience.

EXHIBIT B

Reconciliation of Unfunded Actuarial Accrued Liability from December 31, 2014 to December 31, 2015 Valuation

	Cost Group #7 and #9 Safety County	Cost Group #8 Contra Costa and East Fire Protection Districts	Cost Group #10 Moraga-Orinda Fire District	Cost Group #11 San Ramon Valley Fire District	Cost Group #12 Rodeo-Hercules Fire Protection District Non-enhanced	Total
1. Unfunded actuarial accrued liability at beginning of year	\$363,959,212	\$170,077,640	\$34,844,301	\$74,173,976	\$15,026,974	\$1,469,942,112
2. Gross Normal cost at middle of year	35,170,509	13,831,595	3,073,278	7,556,844	845,638	201,324,001
3. Expected employer and member contributions	(74,191,363)	(29,408,622)	(6,086,727)	(16,846,158)	(2,335,070)	(362,215,543)
4. Interest (whole year on (1) plus half year on (2) + (3))	<u>24,972,537</u>	<u>11,765,962</u>	<u>2,416,974</u>	<u>5,040,876</u>	<u>1,035,464</u>	<u>100,738,485</u>
5. Expected unfunded actuarial accrued liability at end of year	<u>\$349,910,895</u>	<u>\$166,266,575</u>	<u>\$34,247,826</u>	<u>\$69,925,538</u>	<u>\$14,573,006</u>	<u>\$1,409,789,055</u>
6. Actuarial (gain)/loss due to all changes:						
(a) Gain from Investment return	\$(20,879,242)	\$(11,300,927)	\$(2,047,878)	\$(4,294,189)	\$(383,541)	\$(100,726,596)
(b) Gain from additional UAAL contributions by Sanitary District	0	0	0	0	0	(2,322,759)
(c) Actual contributions less/(more) than expected	(7,897,578)	(2,780,192)	261,628	(1,345,897)	(210,711)	(45,945,472)
(d) Higher/(lower) than expected individual salary increases	(17,276)	571,875	(1,477,942)	2,807,941	147,841	(9,036,459)
(e) Lower than expected COLA increases for retirees and beneficiaries	(6,115,665)	(4,010,678)	(599,265)	(1,018,436)	(129,634)	(28,923,103)
(f) Mortality (gain)/loss for retirees and beneficiaries	(21,237,170)	(4,329,289)	(679,881)	(2,352,865)	94,118	(18,981,527)
(g) Other experience (gain)/loss ⁽¹⁾	(3,014,792)	2,863,219	(3,944,961)	(2,793,016)	(505,370)	(7,167,404)
(h) Changes in actuarial assumptions	<u>39,775,019</u>	<u>24,296,846</u>	<u>3,844,347</u>	<u>5,533,144</u>	<u>775,874</u>	<u>115,136,981</u>
(i) Total changes	<u>\$(19,386,704)</u>	<u>\$5,310,854</u>	<u>\$(4,643,952)</u>	<u>\$(3,463,318)</u>	<u>\$(211,423)</u>	<u>\$(97,966,339)</u>
7. Unfunded actuarial accrued liability at end of year	\$330,524,191	\$171,577,429	\$29,603,874	\$66,462,220	\$14,361,583	\$1,311,822,716

Note: Results may not add due to rounding.

⁽¹⁾ Other differences in actual versus expected experience including (but not limited to) disability, withdrawal, retirement and leave cashout experience.

EXHIBIT C**Contra Costa County Employees' Retirement Association
UAAL Breakdown**

Employer	Unfunded Actuarial Accrued Liability (UAAL)	Projected Payroll
County	\$879,610,000	\$609,508,552
Superior Court	25,941,000	24,744,906
Districts:		
Bethel Island Municipal Improvement District	99,000	60,165
Byron, Brentwood, Knightsen Union Cemetery District	53,000	226,019
Central Contra Costa Sanitary District	88,182,000	30,290,237
First Five - Contra Costa Children & Families Commission	2,296,000	2,174,357
Contra Costa County Employees' Retirement Association	6,285,000	3,803,561
Contra Costa Fire Protection District	154,708,000	32,894,282
Contra Costa Housing Authority	9,682,000	5,227,898
Contra Costa Mosquito and Vector Control District	5,093,000	3,082,507
East Contra Costa Fire Protection District	22,759,000	2,788,091
In-Home Supportive Services Authority	1,177,000	712,038
Local Agency Formation Commission	358,000	216,358
Moraga-Orinda Fire Protection District	29,968,000	7,241,409
Rodeo Sanitary District	142,000	603,750
Rodeo-Hercules Fire Protection District	14,397,000	2,480,217
San Ramon Valley Fire Protection District	71,073,000	20,298,316
Total:	\$1,311,823,000	\$746,352,663



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John W. Monroe, ASA, MAAA
Vice President & Actuary
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January 3, 2017

Ms. Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221
Concord, CA 94520

**Re: Contra Costa County Employees' Retirement Association
Five-Year Projection of Employer Contribution Rate Changes**

Dear Gail:

As requested, we have updated our five-year projection of estimated employer contribution rate changes for CCCERA. This projection is derived from the December 31, 2015 actuarial valuation results. Key assumptions and methods are detailed below. **It is important to understand that these results are entirely dependent on those assumptions. Actual results as determined in future actuarial valuations will differ from these results. In particular, actual investment returns and actual salary levels different than assumed can have a significant impact on future contribution rates.**

Results

The estimated contribution rate changes shown on the next page apply to the recommended average employer contribution rate. For purposes of this projection, the rate changes that are included reflect the asset gains and losses that are funded as a level percentage of the Association's total active payroll base.

The changes in contribution rate are due to: (1) deferred gains and losses from the actuarial asset smoothing methodology; (2) losses due to investment income not earned on the excess of the Actuarial Value of Assets (AVA) over the Market Value of Assets (MVA) (and gains when the opposite occurs); and (3) contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date.

The following table provides the year-to-year rate changes from each of the above components and the cumulative rate change over the five-year projection period. To obtain the estimated average employer contribution rate at each successive valuation date, these cumulative rate changes should be added to the rates developed from the December 31, 2015 valuation. These rate changes become effective 18 months following the actuarial valuation date shown in the table.

The rate changes shown below represent the average rate for the aggregate plan.

Rate Change Component	Valuation Date (12/31)				
	2016	2017	2018	2019	2020
(1) Deferred (Gains)/Losses	-0.07%	-0.10%	0.51%	0.89%	0.35%
(2) (Gain)/Loss of Investment Income on Difference Between MVA and AVA	0.12%	0.12%	0.13%	0.09%	0.02%
(3) 18-Month Rate Delay	<u>-0.18%</u>	<u>-0.03%</u>	<u>-0.01%</u>	<u>0.05%</u>	<u>0.10%</u>
Incremental Rate Change	-0.13%	-0.01%	0.63%	1.03%	0.47%
Cumulative Rate Change	-0.13%	-0.14%	0.49%	1.52%	1.99%

The difference between these cumulative rate changes and those shown in our May 19, 2016 letter (i.e., previous five-year projection) are as follows:

	Valuation Date (12/31)				
	2015	2016	2017	2018	2019
Cumulative Rate Change From May 19, 2016 Letter	-2.69%	-3.17%	-3.47%	-3.02%	-2.14%
Reflecting Actual Experience through 12/31/2015 and Changes in Demographic Actuarial Assumptions	-0.83% ¹	-0.96%	-0.97%	-0.34%	0.69%
Difference	1.86%	2.21%	2.50%	2.68%	2.83%

These differences are mainly due to changes in demographic assumptions in the December 31, 2015 valuation that were not reflected in the previous projection.

The average employer contribution rate as of the December 31, 2015 Actuarial Valuation is 39.23%, and based on the cumulative rate changes above is projected to progress as shown below.

	Valuation Date (12/31)				
	2016	2017	2018	2019	2020
Average Employer Contribution Rate	39.10%	39.09%	39.72%	40.75%	41.22%

¹ Actual change in the average employer contribution rate as shown on page 32 of the December 31, 2015 valuation.

The rate change for an individual cost group or employer will vary depending primarily on the size of that group's assets and liabilities relative to its payroll. The ratio of the group's assets to payroll is sometimes referred to as the asset volatility index (AVI). A higher AVI results in more volatile contributions and can result from the following factors:

- More generous benefits
- More retirees
- Older workforce
- Shorter careers
- Issuance of Pension Obligation Bonds (POBs)

The attached exhibit shows the AVI for CCCERA's cost groups along with the "relative AVI" which is the AVI for that specific cost group divided by the average AVI for the aggregate plan. Using these ratios we have estimated the rate change due to these generally investment related net losses for each individual cost group by multiplying the rate changes shown above for the aggregate plan by the relative AVI for each cost group. These estimated rate changes for each cost group are shown in the attached exhibit.

Note that because we have estimated the allocation of the rate changes across the cost groups, the actual rate changes by group may differ from those shown in the exhibit, even if the plan-wide average rate changes are close to those shown above.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- December 31, 2015 non-economic assumptions remain unchanged.
- December 31, 2015 retirement benefit formulas remain unchanged.
- December 31, 2015 1937 Act statutes remain unchanged.
- UAAL amortization method remains unchanged.
- December 31, 2015 economic assumptions remain unchanged, including the 7.00% investment earnings assumption.
- We have assumed that returns of 7.00% are actually earned on a market value basis for each of the next four years after 2015.
- Active payroll grows at 3.25% per annum.
- Deferred investment gains and losses are recognized per the asset smoothing schedule prepared by the Association as of December 31, 2015. They are funded as a level percentage of the Association's total active payroll base.

- Deferred investment gains are all applied directly to reduce the UAAL. Note that this assumption may not be entirely consistent with the details of the Board's Interest Crediting and Excess Earnings Policy.
- The AVI used for these projections is based on the December 31, 2015 Actuarial Valuation and is assumed to stay constant during the projection period.
- All other actuarial assumptions used in the December 31, 2015 actuarial valuation are realized.
- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance.
- The projections do not reflect any changes in the employer contribution rates that could result due to future changes in the demographics of CCCERA's active members or decreases in the employer contribution rates that might result from new hires going into the PEPRA tiers.

Finally, we emphasize that projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Unless otherwise noted, all of the above calculations are based on the December 31, 2015 actuarial valuation results including the participant data and actuarial assumptions on which that valuation was based. That valuation and these projections were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "John Monroe". The signature is written in a cursive, slightly stylized font.

John Monroe

JEM/bbf
Enclosure

Exhibit
Contra Costa County Employees' Retirement Association
Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2015 Valuation

	CG#1 & CG#2 Combined Enhanced General	CG#3 Enhanced CCC Sanitary District	CG#4 Enhanced Housing Authority	CG#5 Enhanced CCCFPD	CG#6 Non-Enhanced District
Market Value of Assets (MVA)*	\$3,915,973,566	\$262,455,859	\$45,393,360	\$42,989,894	\$5,766,939
Projected Payroll for 2016	\$561,966,708	\$30,290,236	\$5,227,898	\$3,732,837	\$829,769
Asset Volatility Index (AVI) = MVA/Payroll	6.97	8.66	8.68	11.52	6.95
Relative Volatility Index (AVI) = CG AVI / Total Plan AVI	0.75	0.93	0.93	1.23	0.75
Estimated Incremental Rate Change as of 12/31/2016	-0.10%	-0.12%	-0.12%	-0.16%	-0.10%
Estimated Incremental Rate Change as of 12/31/2017	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Estimated Incremental Rate Change as of 12/31/2018	0.47%	0.59%	0.59%	0.78%	0.47%
Estimated Incremental Rate Change as of 12/31/2019	0.77%	0.96%	0.96%	1.27%	0.77%
Estimated Incremental Rate Change as of 12/31/2020	0.35%	0.44%	0.44%	0.58%	0.35%
Cumulative Rate Change as of 12/31/2016	-0.10%	-0.12%	-0.12%	-0.16%	-0.10%
Cumulative Rate Change as of 12/31/2017	-0.11%	-0.13%	-0.13%	-0.17%	-0.11%
Cumulative Rate Change as of 12/31/2018	0.36%	0.46%	0.46%	0.61%	0.36%
Cumulative Rate Change as of 12/31/2019	1.13%	1.42%	1.42%	1.88%	1.13%
Cumulative Rate Change as of 12/31/2020	1.48%	1.86%	1.86%	2.46%	1.48%

	CG#7 & CG#9 Combined Enhanced County	CG#8 Enhanced CCCFPD/East CCCFPD	CG#10 Enhanced Moraga-Orinda FD	CG#11 Enhanced San Ramon Valley FD	CG#12 Non-Enhanced Rodeo-Hercules FPD	Total Plan
Market Value of Assets (MVA)*	\$1,443,012,642	\$781,033,181	\$141,533,561	\$296,781,320	\$26,507,390	\$6,961,447,712
Projected Payroll for 2016	\$85,734,572	\$31,893,044	\$6,711,180	\$17,507,611	\$2,458,810	\$746,352,665
Asset Volatility Index (AVI) = MVA/Payroll	16.83	24.49	21.09	16.95	10.78	9.33
Relative Volatility Index (AVI) = CG AVI / Total Plan AVI	1.80	2.63	2.26	1.82	1.16	1.00
Estimated Incremental Rate Change as of 12/31/2016	-0.23%	-0.34%	-0.29%	-0.24%	-0.15%	-0.13%
Estimated Incremental Rate Change as of 12/31/2017	-0.02%	-0.03%	-0.02%	-0.02%	-0.01%	-0.01%
Estimated Incremental Rate Change as of 12/31/2018	1.14%	1.65%	1.42%	1.14%	0.73%	0.63%
Estimated Incremental Rate Change as of 12/31/2019	1.86%	2.70%	2.33%	1.87%	1.19%	1.03%
Estimated Incremental Rate Change as of 12/31/2020	0.85%	1.23%	1.06%	0.85%	0.54%	0.47%
Cumulative Rate Change as of 12/31/2016	-0.23%	-0.34%	-0.29%	-0.24%	-0.15%	-0.13%
Cumulative Rate Change as of 12/31/2017	-0.25%	-0.37%	-0.31%	-0.26%	-0.16%	-0.14%
Cumulative Rate Change as of 12/31/2018	0.89%	1.28%	1.11%	0.88%	0.57%	0.49%
Cumulative Rate Change as of 12/31/2019	2.75%	3.98%	3.44%	2.75%	1.76%	1.52%
Cumulative Rate Change as of 12/31/2020	3.60%	5.21%	4.50%	3.60%	2.30%	1.99%

* Excludes Post Retirement Death Benefit reserve.

These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

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Lou Ann Teixeira
Executive Officer

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Special District Member

January 19, 2017

February 8, 2017
Agenda Item 11

To: County Administrator
City/Town Managers
Special Districts Managers

From: Lou Ann Teixeira, Executive Officer

Subject: Enactment of Senate Bill (SB) 1266 (McGuire) - New Reporting Requirements for Joint Power Authorities Formed as a Separate Legal Entity to Provide Municipal Services

This letter is directed to Contra Costa County, as well as the cities and special districts in this County, to advise you of new filing requirements established by SB 1266 (McGuire) (attached).

SB 1266 became effective on January 1, 2017. The legislation is the result of recommendations contained in a Legislative Analyst's Office report and is intended to assist LAFCOs in meeting their long-standing directive from the Legislature to document, assess and facilitate shared local public service opportunities among counties, cities and special districts. The legislation also advances the Legislature's interest in LAFCOs serving as a community resource by developing more inclusive repositories on local government services for the benefit of the public.

SB 1266 applies to joint powers agencies or authorities ("JPAs") that include a city, county or special district as a member agency, and are or were formed as separate legal entities to provide municipal services, in accordance with Government Code §56047.7. Effective January 1, 2017, these JPAs are required to file with LAFCO the full text of the JPA, and any amendments to the agreement, in the same manner as filed with the State Controller under existing law. These documents must be filed with the LAFCO in each county within which all or any part of a local agency member's territory is located. Failure to comply with the new reporting requirements will prohibit that JPA from issuing any bonds or incurring indebtedness of any kind.

To facilitate the reporting process, Contra Costa LAFCO requests all subject agencies to send copies of their current agreements and any amendments in electronic format by July 1, 2017 to LouAnn.Teixeira@lafco.cccounty.us. All submittals will be acknowledged by Contra Costa LAFCO.

Pursuant to SB 1266, Contra Costa LAFCO does not have JPA regulatory and review authority – our role is to serve as a depository for associated filings. Therefore, to assist the public and local agencies track the LAFCO filings, we will establish a page on our website in January 2017 to post SB 1266 documents.

Attachment: Chaptered Senate Bill 1266

CALAFCO Daily Legislative Report as of Wednesday, February 01, 2017

February 8, 2017
Agenda Item 13a

1

[SB 37](#) (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 12/5/2016 [Text](#)

Introduced: 12/5/2016

Status: 1/12/2017-Referred to Com. on GOV. & F.

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

Summary:

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2017–18 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.

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: This bill is identical to SB 817 (Roth, 2016), SB 25 (Roth, 2015) and SB 69 (Roth, 2014) with the exception of the chaptering out language included in the 2016 version (which addressed the companion bill AB 2277 (Melendez, 2016)). 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 2017/18 year for cities that incorporated between 1-1-2004 and 1-1-2012.

Total Measures: 1

Total Tracking Forms: 1

2/1/2017 12:07:40 PM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – FEBRUARY 8, 2017

February 8, 2017
Agenda Item 13b

LAFCO APPLICATION	RECEIVED	STATUS
Town of 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	July 2010	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	July 2010	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	Feb 2013	Continued from 11/12/14 meeting
Reorganization 186 (Magee Ranch/SummerHill): proposed annexations to Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) of 402± acres; 9 parcels total to CCCSD (8 parcels) and EBMUD (7 parcels)	June 2014	Removed from the Commission's calendar pending further notice
Tassajara Parks Project – proposed SOI expansions to CCCSD and EBMUD of 30± acres located east of the City of San Ramon and the Town of Danville	May 2016	Currently incomplete
Tassajara Parks project – proposed annexations to CCCSD and EBMUD of 30± acres located east of the City of San Ramon and the Town of Danville	May 2016	Currently incomplete
Reorganization 191 (Faria Preserve West): Annexations to CCCSD and EBMUD of 9.7± acres in the City of San Ramon	Oct 2016	Under review
Heyden-Montalbo Annexation to City of Martinez – proposed annexation of 0.12+ acres (one parcel) on Sierra Avenue	Jan 2017	Under review

Storm surge: Levees under patrol as water problems in Delta grow

Wednesday

Posted Jan 11, 2017 at 8:00 PM

Updated Jan 11, 2017 at 9:25 PM

By Alex Brektler
Record Staff Writer

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Flooding concerns intensified in the the Delta on Wednesday as huge volumes of water surged down creeks and streams into the low-lying river estuary.

Higher than expected water levels had crews patrolling levees and watching carefully for any sign of trouble. An estimated 245,098 cubic feet of water per second was pouring into the Delta, the equivalent of nearly three Olympic-sized swimming pools every second.

And it didn't end on Wednesday: By high tide late Thursday, the rivers may be even higher as the slug of water from earlier storms passes out to San Francisco Bay.

"When the water's this high you could have a beaver hole open up and you could have a real problem. You could lose a levee," said Dante Nomellini, a Stockton attorney who represents Delta farmers.

Century-old Delta levees protect farmland that in some cases is well below sea level. Hundreds of millions of dollars have been spent improving the levees in recent decades, but they still are considered vulnerable to failures that can flood farms, roads and utilities and disrupt the water supply for much of California.

Evidence of the massive flow into the Delta was everywhere on Wednesday. The Calaveras River in Stockton was running high as officials began releasing some water from upstream New Hogan Lake to save room for future storms. Just 13 months ago, New Hogan was a mere 20 percent of average; this week, in a period of two days, it rose from 98 percent to 127 percent of average.

The Stockton Diverting Canal, a normally dry channel built more than a century ago to save Stockton from devastating flooding on the Calaveras, also was running high. Farther downstream, the water inched high enough to inundate the deck behind a home in Riviera Cliffs.

A similar rise was happening, but to a much larger extent, on the Mokelumne River, where the high waters broke through a levee early Wednesday and flooded farmland in south Sacramento County. The Mokelumne may crest even higher early Thursday, about 3 feet lower than its reach during the great floods of 1997.

To the south, the San Joaquin River is expected to continue rising as well, though it has more room to grow within its banks. Projections on Wednesday suggested that the river could rise high enough to cause water to seep onto adjacent farmland.

Bottom line: Just because it's stopped raining doesn't mean the flood concerns have evaporated. The National Weather Service's flood warning, which extends throughout much of the Central Valley, will carry on at least into Thursday.

The San Joaquin County Office of Emergency Services upgraded to a higher alert level on Wednesday, recommending that public agencies be ready to mobilize if a serious flood occurs.

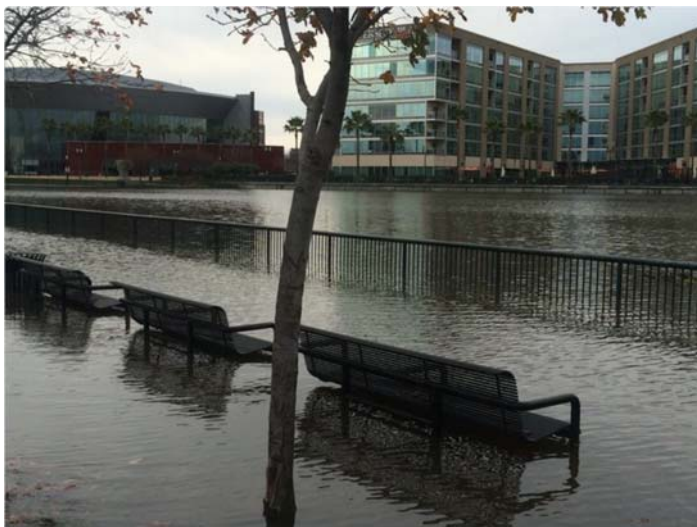
"There's enough potential," said Michael Cockrell, the local OES director. "In all four directions of the county, we see flood threats."

But before all that water can escape toward the bay, it must pass through the Delta, where there has been no major levee failure since the sunny-day **Jones Tract collapse in 2004**.

Potential threats include wind eroding the sides of the levees and beaver holes that can weaken their integrity, Nomellini said. A sinkhole discovered on Upper Jones Tract on Sunday has been filled and "looks like it's OK," he said.

Nomellini said the water levels in Rio Vista on Wednesday appeared to be about **10 inches higher than expected**. The tides, runoff from the mountains and barometric pressure are factors, making the actual water level hard to predict.

But it's not hard to see that the water has gone up progressively since the first major storm on Sunday. Each day, water has spilled higher onto the waterfront promenade in downtown Stockton; on Wednesday even the pedestrian benches were perched in a pool of water.



Mike Fitzgerald
@Stocktonopolis

[Follow](#)

Rising water at Weber Point this evening.

5:33 PM - 11 Jan 2017

3 8

Members of the California Conservation Corps were dispatched to Twitchell Island, south of Highway 12 in Sacramento County, to put plastic sheeting and sandbags over the levee to protect it from wind-whipped waves.

As Nomellini put it: "We're keeping our fingers crossed."

- Contact reporter Alex Breitler at (209) 546-8295 or **abreitler@recordnet.com**. Follow him at recordnet.com/breitlerblog and on Twitter **[@alexbreitler](https://twitter.com/alexbreitler)**.

East Bay Times

Bay Area flooding: Multiple Delta levee breaches reported



Courtesy John Sweeney - At least one home on Van Sickle Island in the Sacramento River delta was inundated by rising water on Thursday, Jan. 12, 2017. At least one instance of a levee breach was also reported as well as reports of water overtopping the levees.

By [Aaron Davis](#) | aarondavis@bayareanewsgroup.com and [Matthias Gafni](#) | mgafni@bayareanewsgroup.com |

PUBLISHED: **January 12, 2017** at 2:54 pm | UPDATED: January 13, 2017 at 3:48 am

VAN SICKLE ISLAND — After three days of king tides and massive rainfall, levees in the Delta have begun to fail, flooding islands, duck clubs and other land north of Pittsburg, an island owner and emergency official said Thursday.

Van Sickle and Grizzly islands, among others, have seen levees overtopped or breached, according to Don Ryan, Solano County Sheriff's Office emergency services manager. No injuries or evacuations have been reported, he said.

"This is mostly private property, often duck clubs ... and it's their responsibility to maintain their own levee system," he said.

Ryan said the influx of water flowing down from Sacramento, with the rare opening of the Sacramento weir, combined with king tides has put pressure on the levees, causing many to rupture or have water pour over the top.

"The good thing is these are relatively unpopulated areas and the people who are there are duck club owners with boats, so they can get away," Ryan said.

The water flow peaked early Thursday at the Sacramento weir at 140,000 cubic feet per second, according to the Department of Water Resources.

Delta island owner John Sweeney shared photos and video of breached levees and water from the Sacramento River topping over berms at Van Sickle Island, home to about 20 duck clubs.

He said one big breach spanned about 1,000 feet and he expected the entire island to flood in hours. He co-owns Spinner Island Hunt and Social Club.

“It will be flooded in about an hour,” Sweeney said in a phone interview from his boat about 2 p.m. Thursday.

Ryan said the water flow was slowing and tides are dropping, which should alleviate some of the flooding, but affected islands will have to pump water out which can take months.

At Big Break Regional Shoreline in Oakley, the confluence of king tide with the rushing waters flooded over the observation pier, which in turn brought a flood of visitors.

“We’ve had hundreds of people here today and a hundred yesterday. It’s like a snow day,” said Mike Moran, supervising naturalist at Big Break’s visitor center. “The last time the water was over the pier was 10 years ago.”

Waters climbed over the observation pier at Big Break Regional Shoreline and drew visitors to wade through the waters during the rare event. (Aaron Davis/Staff)

Moran explained to visitors that the sun and the moon were both at their closest points to Earth and were also in line, which created the king tide that was drawing over 450,000 gallons a second inland to meet the outflow from the Delta.

Park officials creatively provided rain boots at the entrance to the pier for guests to slog through the waters out to the observation deck.

Shaunika Dearman, of Brentwood, brought her three kids and dog out to the pier to see the rare event.

“We live in such an amazing place in terms of nature and waterways and we didn’t want to miss out on something that happens once in a blue moon,” Dearman said.

Tony Griffin, resident and host at the Antioch Marina, had not seen the water this deep in more than 50 years. A marker indicated the water was 6 feet above the average.

“It’s 2 feet deep in the parking lot here, and you can see the wake from the passing boats,” Griffin said.

Storms Put Dent in Drought but Not the Need to Restore California's Water Balance

Posted by : [CA Economic Summit](#) January 12, 2017

By John Guenther.

California's stormy deluge of rain is [altering the drought outlook](#), at least for the now-full reservoirs in the northern part of the state. But the need to provide a sustainable and reliable water supply will never be low in priority in the years ahead.

Even before the drought, Californians used almost 10 million acre-feet a year more from reservoirs and aquifers than was replenished by nature. Something has to give—and the state needs to make moves this year to more sustainably manage its water.

That's the call-to-action from Jay Ziegler, director of external affairs for [The Nature Conservancy](#) in California, who was featured in the Sacramento Bee this week with his op-ed "[California's water policy at potential tipping point](#)."

"But whether the drought is broken or not, Californians must act this year to achieve more sustainable long-term water management. California operates at a water deficit. Even in wet years, we use more surface and groundwater than is replenished by rainfall. It is not sustainable.

The recently enacted federal California drought bill and the arrival of a Trump administration will place additional pressure on California's ability to manage water for the benefit of all the things we care about including wildlife, agriculture and cities."

Ziegler cited recent progress such as the voter-approved \$7 billion water bond and reforms that finally put groundwater under the state's management responsibilities.

Moving forward, Ziegler listed additional steps to address California's management challenges, including improved water monitoring and developing water financing reforms to improve quality and to capture and recycle more stormwater.

Solutions like these will require more investment, smart planning, and increased use of technology. The California Economic Summit helped in the development of a [next generation of local infrastructure financing tools](#) and created a [detailed action plan](#) for integrating resource planning and ecosystem services tools, while promoting data technology to aid in planning.

One of the top priorities of the Summit throughout last year and at the 2016 Summit was promoting the [conservation, reuse, and capture](#) of one million more acre-feet of water each year for the next decade.

To achieve this goal, the Summit sought innovative approaches to integrating water management across watersheds—helping each region more efficiently capture and reuse each drop as it moves from mountains to the sea.

Even if 2017 spells the end of years of drought for California, the work to put the state's water systems in balance will continue.

[Originally posted at CA Economic Blog.](#)

All this recent rain won't stop California from sinking

By [Nathan Halverson](#) / January 14, 2017

The powerful storm that pounded California this week seemed like the break the state so desperately needed.

Unfortunately, it wasn't enough. In fact, there is probably no storm capable of washing away California's water woes, according to scientists.

The state simply is using too much water – even during wet years. As a result, thousands of miles of prime agricultural area in the Central Valley are sinking. Roads and bridges are cracking, threatening to cause \$1 billion in damage. Homeowners are watching their water supply dwindle.

“We’re taking more out than we’re putting back in,” said Michelle Sneed, a U.S. Geological Survey hydrologist in California. “You can’t do that forever without running out.”



U.S. Geological Survey scientist Michelle Sneed shows where a farmer would have been standing in 1988, before a six-year drought triggered sinking in California's San Joaquin Valley. It also shows how sinking accelerated in 2008. Credit: U.S. Geological Survey

This alone isn't the drought's fault. The state's historically bad sinking predates the current drought by nearly a decade – maybe even longer, Sneed said.

The Central Valley's water problems instead are caused by a monumental shift in what farmers grow and how they get their water. Over the last 15 years, lettuce and wheat fields have given way to high-profit, water-intensive crops that are mostly exported to other countries.

Food exports from California have tripled in value during the last decade, according to an analysis of state crop reports by Reveal from The Center for Investigative Reporting. Exports now account for about \$1 in every \$3 farmers earn. And farmers continue to plant more orchards every year.

This is especially true of nut crops such as almonds and walnuts. Farmers are exporting nearly twice the volume of almonds compared with 10 years prior, according to the most recent crop reports.

The Central Valley often is cited as the most productive farmland in the world – producing half of the country’s fruits, nuts and vegetables. But its high output is threatened as water becomes increasingly scarce, especially as its groundwater levels fall. It is not alone.

Around the world, one-third of the planet’s major aquifers are being depleted, according to data from NASA. In the coming decades, water shortages are expected to reduce global food production by 350 million tons – equivalent to the entire U.S. grain harvest that includes rice, wheat and corn, according to the United Nations.

Eventually, maybe 22 percent of the California’s irrigated farmland – about 2 million acres – could be abandoned as a result of water problems, according to Jay Lund, an environmental engineering professor at the University of California, Davis. These farms provide more than a million jobs in the state, sustaining whole communities, and if the farming sector contracts, so do the livelihoods of the people.

The water depletion also is causing collateral damage to local families as farmers and other investors scramble to capitalize on the last remaining sources of water in the state.

Andrea and Milt Medeiros are worried the domestic well in their house will run dry after nearly a million almond trees were planted near their home outside Oakdale, in the foothills of the Sierra Nevada. The almond orchards replaced what had been mostly unirrigated pastureland.

“I just describe it as this, you know, this cancer that’s spreading all over,” said Andrea Medeiros, a longtime schoolteacher.

Since the almond orchard was planted, she says the water in their domestic well has been dropping. They’re worried it will go dry eventually, which has happened to thousands of other homes across the Central Valley.

“People are angry. You know we worked our whole life. If we lose our home for something that’s out of our control, what are we going to do, work another 34 years to get it back?” she said. “And that’s just crazy to feel like you’re being forced out of your home.”

Farmers in these parts haven’t always relied so heavily on underwater aquifers. Over the last two decades, governments began reducing their water supply from reservoirs and rivers just as farmers started switching to more water-intensive crops.

Government officials and scientists have grown increasingly concerned about the environmental impact of all the water being diverted from rivers. Most of it goes to farmers, who account for 80 percent of the state’s water use.

And the effects of overuse can be seen around the state. The San Joaquin River has run dry in the summer for about six decades now. This hurts the salmon that need it for spawning, and scientists blame the plummeting fish populations on overdrawing the rivers.

Farmers are not taking the reductions quietly.



The lining of the Delta-Mendota Canal near Dos Palos, Calif., is buckling because of sinking land. Californians are using too much water, causing the sinking of prime agricultural area in the Central Valley. Credit: Scott Smith/Associated Press

“We feel really strongly down in this area that our contracts with the government – you know, that was to be our water, and the government reneged on them,” said Stuart Woolf, one of the state’s largest nut farmers.

After returning from World War II, his father, Jack Woolf, moved to the Central Valley from Arizona, first working for another farming family before starting his own operation on the west side of the valley. He spent a lifetime expanding the business, receiving ample water from the government-managed canal system. The farm is the legacy he has left his children.

Stuart Woolf blames the government for mismanaging the public’s water and for caring more about fish than farmers.

In order to keep their nut orchards watered, farmers such as Stuart Woolf in the western San Joaquin Valley have tapped deep into the groundwater, chasing it to historic lows.

As water levels drop from 100 feet below the surface, down to 200 feet and even further to nearly 600 feet, the amount of electricity needed to pump up hundreds of millions of gallons of water is staggering. Last year, researchers determined that falling groundwater levels were costing farmers \$300 million a year.

It has created a vicious cycle in this part of the southern Central Valley. As farmers have lost access to surface water, they’ve tapped into more expensive groundwater. And to pay for it, they are growing more water-intensive crops.

“If you really contract and squeeze and you increase the costs of water, you may not be able to make it growing alfalfa or grain or cotton or a whole host of things that we grow in California,” Stuart Woolf said. “But you may still be able to grow almonds, pistachios, possibly wine grapes.”

East Bay Times

Guest Commentary: Level of fire protection inadequate

By [Bryan Scott](#) |

PUBLISHED: **January 15, 2017** at 8:14 pm | UPDATED: January 15, 2017 at 8:17 pm

Last month the Attorney General of Michigan, Bill Schuette, filed criminal charges against the appointed administrative managers of a water district charged with providing water to Flint, a city with nearly 100,000 residents.

An investigation has uncovered “a fixation on finances and balance sheets” that caused the deaths of 12 people, according to reports by the New York Times and the Associated Press.

Today the level of a specific type of government service in Eastern Contra Costa County, fire and emergency medical service, is woefully inadequate and causing loss of life and property. Fire and emergency medical services are every bit as essential to life as water.

“Discovery Bay has lost three residents to cardiac arrest because engines were unavailable to respond,” ECCFPD Captain Gil Guerrero told the Local Agency Formation Commission in May of last year.

With about 110,000 residents, the population served by ECCFPD is about the same size as the number of residents of the Flint water district. Both agencies are failing to provide adequate life sustaining services.

The criminal charges filed against the water district’s top managers carry penalties of up to 46 years in prison. The investigation of this public health crisis began last January.

Here in East County published comments by Joel Bryant, president of the ECCFPD Board and vice mayor of Brentwood, convey a lack of commitment to the public’s safety while paying close attention to budgets.

Within months the fire district will reduce the number of stations to just three. When talking about this imminent closure of the district’s fourth fire station and shifting government funding, Bryant said:

“It’s not in the budget to do so, and I don’t imagine that the will of the community would be there either until there are some devastating changes,” Bryant said. “To reallocate funds will mean reduction of services elsewhere ... and the residents have come to expect a certain level of quality of life that it will certainly impinge upon,” he was quoted as saying in the East Bay Times (Nov. 11, 2016).

So the question for East County residents is “How many people need to die?” before our local government changes where property tax money is allocated?

Michigan Attorney General Scheutte decided that 12 deaths were enough when he began his criminal investigation.

“This fixation has cost lives. This fixation came at the expense of protecting the health and safety of Flint. It’s all about numbers over people, money over health,” he said.

Are there any elected or appointed leaders in East County willing to accept a smaller number?

Fire and emergency medical services in East Contra Costa County are in a state of crisis. Below is an open letter to Contra Costa County District Attorney Mark A. Peterson, the county’s top law enforcement official. District Attorney Peterson was first elected to this role in 2011. He previously served on the Concord City Council for 15 years beginning in 1995, and was mayor three times.

Dear District Attorney Mark Peterson:

People are dying in East Contra Costa, and houses are burning down, because of inadequate funding of the East Contra Costa Fire Protection District.

Can you please investigate?

The nine members of the ECCFPD Board, appointed by the city councils of Brentwood and Oakley and the Contra Costa Board of Supervisors, are more concerned with budgets and balance sheets than they are with public safety.

Please, the public needs your help.

Bryan Scott of Brentwood

Bryan Scott is a Brentwood resident and Co-Chair of East County Voters for Equal Protection, a non-partisan citizens action committee whose aim is to improve funding for the ECCFPD. He can be reached at scott.bryan@comcast.net, or 925-418-4428. The group’s Facebook page is <https://www.facebook.com/EastCountyVoters/>.

East Bay Times

Kensington board moves to split police chief and general manager duties

The move would allow the chief to concentrate on the district's police officers and enable trustees to hire a general manager to focus on fiscal matters.



Kensington board moves to split police chief and general manager duties

By [Rick Radin](#) | Bay Area News Group
January 15, 2017 at 7:10 am

KENSINGTON – The town's police services district is moving ahead with creating separate positions for police chief and general manager, a role that up to now had been under one individual.

The move would allow the chief to concentrate on supervising the district's nine police officers and enable trustees to hire a general manager to focus on budgeting, contract negotiations and other fiscal matters.

The decision by the district's Board of Directors last week follows conflict of interest charges from some Kensington residents over the alleged hesitancy of former Police Chief/General Manager Greg Harman to investigate a scandal involving a district officer in a timely manner, as well as resolve reports of run-ins between officers and residents.

The district has had three people fill the police chief/general manager post, including one who lasted less than a month, since Harman was dismissed almost two years ago. The position is being filled on an interim basis by Rickey Hull, previously a master sergeant in the department who served as Harman's second-in-command.

Hull is receiving \$140,000 annually in base salary and the district board envisions the police chief making \$129,000 for that job alone, according to new board President Rachelle Sherris-Watt.

That leaves \$16,000 for the general manager position based on Harman's final pay of \$145,000, but a deficit could be made up by making the position part-time, not offering health benefits, and having the new general manager apply for grants and look for room in the budget for cuts, Sherris-Watt said.

"A good general manager should be able to take a good look at our budget and find their salary," she said. "We're going to try to do more with less."

Sherris-Watt said the next steps will involve developing a job description for the general manager position and searching for candidates.

"You have to imagine it's going to take a couple of months, two to three months," she said. "If it was faster, that would be great."

Chuck Toombs, who was defeated in his bid for a third term on the board in November, wrote in an e-mail that his views have "evolved" about creating two positions and he now favors the change with a couple of conditions.

Toombs wrote that residents should be aware of the potential for loss of services if one of the positions is part-time and that they should get a chance to debate the issue in a public town hall, announced well in advance, rather than a regular board meeting.

"I have not seen any publicity or news stories suggesting there will be a full town hall style discussion on this issue or explaining what this really means to the community or what it may cost, and that is troubling to me," Toombs wrote.

The board has also authorized Hull to negotiate with the Contra Costa County Sheriff's Office and Albany for record management system and computer assisted dispatch services that are now provided by Richmond on a contract that ends July 1.

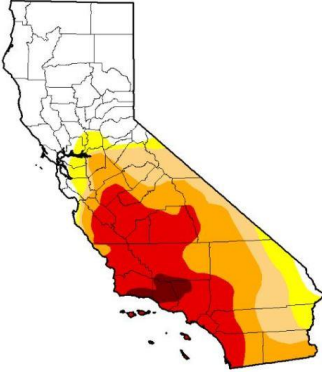
"This involves keeping records and sending out officers on call," Sherris-Watt said. "It's very expensive to participate in the (Richmond) system."

Mercury News

California drought continues to shrink, federal government says

By [Paul Rogers](#) | progers@bayareanewsgroup.com |

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Due to ongoing rain, 44 percent of California is now in severe drought, down from 49 percent a week ago, while 42 percent is out of drought entirely. NOAA, USDA, University of Nebraska

With major reservoirs nearly full, the Sierra Nevada snowpack well above average and flood warnings in place for some rivers, federal scientists reported Thursday a continued weakening of California's drought.

Overall, 44 percent of the state remains in severe drought conditions or worse, down from 49 percent a week ago, according to [the U.S. Drought Monitor](#), a weekly study by the National Oceanic and Atmospheric Administration, the U.S. Department of Agriculture and the University of Nebraska-Lincoln. The improved area, roughly 5.1 million acres, is mostly in the central Sierra Nevada, which has been hit with major snowstorms in recent weeks.

A year ago this week, the same report found 86 percent of California was in severe drought or worse.

Yet a stark difference remains between Northern and Southern California: 42 percent of the state is out of the drought entirely, the same percentage as last week. The areas no longer in a drought include nearly all of Northern California roughly from the Bay Area to Oregon.

Through next Monday night, however, between 9 to 13 inches of new precipitation is forecast to fall on coastal California and much of the Sierras, the report noted.

"These anticipated areas of heavy precipitation are likely to result in additional improvements to next week's U.S. Drought Monitor depiction," wrote Richard Tinker and Anthony Artusa, two meteorologists with NOAA who compiled Thursday's report.

Despite some recent storms, Southern California and the San Joaquin Valley have not seen anywhere near the volume of moisture as the north has this winter or last, and continue to suffer from significant drought conditions, the report said.

Each week, the scientists who write the drought monitor assign six levels of drought intensity: no drought, abnormally dry, moderate drought, severe drought, extreme drought and exceptional drought. They analyze soil moisture, stream levels, rainfall totals, snow pack, reservoir levels and other measurements in all 50 states, along with reported observations from more than 350 expert contributors around the country.

About 24 percent of California, including San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange and western San Diego counties, along with much of the San Joaquin Valley, are still classified as being in “extreme” drought, down from 28 percent last week and 68 percent a year ago. About 2 percent is in “exceptional drought,” the worst category, down from 42 percent a year ago.

California officials, while acknowledging the dramatic improvements in the northern part of the state, continue to focus on those areas that are still struggling. They have said in recent weeks that Gov. Jerry Brown may rescind, or regionalize, the statewide drought emergency declaration he issued in January 2014, but not until at least April after the winter storm season is over in case the wet weather ends.

“Our water supply outlook is definitely brighter, but we still haven’t shaken off the effects of our historic drought,” said William Croyle, acting director of the state Department of Water Resources, on Wednesday afternoon.

California’s two biggest reservoirs, Shasta and Oroville, are now 80 percent full and releasing water to keep space for flood control. Many Bay Area reservoirs are 100 percent full. Croyle noted, however, that some reservoirs, such as Lake Cachuma, which is Santa Barbara’s main water supply and sits at just 9 percent full, remain low, while some communities, such as East Porterville, near Bakersfield, continue to provide bottled water to people whose wells ran dry.

“We know from painful history that California winters can go quickly from very wet to very dry,” Croyle added. “We want to see the snowpack continue to build for the remainder of the wet season.”

Top water industry officials are increasingly pushing back on the ‘glass half-empty’ message, however. They say that the state should let its emergency drought rules expire next month, lest it lose the trust of residents who have watched rivers brimming, reservoirs spilling and ski resorts buried in blizzards. They note that full reservoirs in the north mean more supply also in the south, since much of the south’s water supply comes from the north.

“Water supply conditions have improved dramatically, and the public can readily see that,” said Tim Quinn, executive director of the Association of California Water Agencies, a group representing the more than 400 local water departments. “Continuing the message that we remain in a drought emergency strains our credibility at this point.”

The statewide Sierra snowpack, the source of one-third of California's water supply, stood at 163 percent of the historic average Thursday, up from just 64 percent on New Year's Day, and already 82 percent of the April 1 average. Two years ago, in April 2015, it was at 5 percent of average.

And the storms keep coming.

As of Wednesday night, San Jose was at 110 percent of its historic average rainfall for this time of year, San Francisco at 131, Oakland at 132, Sacramento 206, Eureka 161, Fresno 181 and Los Angeles 149. After heavy rain Wednesday night that downed trees, caused power outages, snarled traffic and prompted the National Weather Service to issue flood advisories across the Bay Area, two new storm systems were expected to pound much of California on Friday and Sunday.

"Rainfall, and especially, snowfall, of this magnitude has not been seen in California since before the start of our severe multi-year drought," in 2011, wrote Daniel Swain, a climate researcher at UCLA, on his blog 'Weather West' on Tuesday. "Unsurprisingly, this recent precipitation has brought considerable drought relief to the northern two thirds of the state."

Even as state officials urged caution, they announced Wednesday that cities and farms will receive at least 60 percent of the maximum amount of water they are contracted to buy in the coming year from the State Water Project, up from just 20 percent two months ago. Built in the 1960s by former Gov. Pat Brown, the project is a vast system of canals and dams that moves water 700 miles from Northern California to cities from San Jose to San Diego, providing water to 23 million people, along with farmers in the Central Valley. The department said that given the weather pattern so far this winter, it hopes to further boost deliveries — already the highest since 65 percent of contracted amounts were delivered in 2012 — in the coming months.

Meanwhile, at a public hearing Wednesday, state officials announced plans to keep in place scaled-down water conservation rules for urban residents that they imposed last May. The State Water Resources Control Board will make a final decision on the rules Feb. 7, but said Tuesday that it wants to wait three more months to see the final outcome of the winter weather before lifting all water conservation targets for cities.

Last summer, after normal rains fell on Northern California over the winter, the state dropped mandatory conservation targets for cities that had led many communities to limit lawn watering, and issue fines and penalties for overuse. Instead, the water board, appointed by the governor, shifted to a system in which each of California's 411 largest cities, water companies and water districts is allowed to set its own conservation target based on its local supplies and demands. As a result, 80 percent of the local agencies, including most Bay Area cities, gave themselves no target and eased up on local drought restrictions, helping them sell more water and boosting their bottom lines.

East Bay Times

DeNova Homes project

Pine Meadow plan moves forward

Property owners win appeal for homes on former golf course site

By Dana Guzzetti

Correspondent

January 25, 2017

MARTINEZ — Pine Meadow Golf Course owners won an appeal to the City Council, allowing the DeNova Homes plan to build 98 residences on the 25.9 acres at 451 Vine Hill Way to proceed in the application process.

The council's 4-1 vote ended a hard-fought battle over the existing golf course open space/recreational zoning that prohibits residential development. There were raw feelings on both sides of the issue. Homeowners adjacent to the golf course bought there expecting to see the natural setting retained because of the zoning. With development, they worried about wildlife, overcrowded schools, and traffic. Property owner Christine Coward Dean rhetorically asked, "Is there any such thing as privately owned permanent open space?"

Dean and other family members inherited the golf course from her father and sold a majority ownership to a DeNova Homes affiliate Civic Martinez, LLC. Dean said she has been contesting the zoning designation since she found out about it nine years ago. The city staff had denied DeNova's development plan application because it did not ask for a general plan and zoning change.

Councilwoman Lara DeLaney backed the staff reasoning that the plan could not be approved with the existing zoning in place, and voted "no" at the Jan. 18 meeting that ended at 1:37 a.m.

Jim Reese, the city's special adviser on the project, had given the council a 12page timeline with documentation to support the need for a zoning change as part of the residential development application.

In a lengthy, emotional appeal to each council member individually, Dean recounted her failed attempts to sell the land to the city and asked them to "do the right thing."

Dean said the legality of the existing open space/ residential designation is questionable and city denial of the project amounts to a violation of private property rights without the use of eminent domain.

DeNova's attorney Dana Tsubota echoed that and said denial of the project is contrary to regional and local residential infill policies. Her 106-page PowerPoint presentation to the standing room only audience was based on research of documents she and other lawyers had been able to obtain.

Tsubota challenged the validity of city paperwork surrounding the handwritten open space/recreational designation on a 1973 map, and noted that a newer 1976 map did not match a general plan existing at that time.

She said a 1974 council zoning resolution was unsigned and buttressed those arguments with declarations from former Mayor John Sparacino, other developers and Christine Dean's assertion that, "No unaltered map is available."

The city staff does not have an updated general plan with matching zoning revisions to support those documents. Reese acknowledged that Tsubota's presentation showed 1970s planning practices were not as defined, and they were not aligned with contemporary planning policies, but he defended the zoning.

He said the history of events and civic decisions, such as the denial of a Busby residential development proposal two years after the golf course property was annexed to Martinez demonstrate city's intent, support the documents, and public's 40-year belief that a park-like setting would remain there.

The council majority explained their votes this way at about 11:30 p.m.:

- The property is close to Hidden Lakes, a large existing park
- Voters have turned down the opportunity to buy the land and there is no money in the budget for it
- Alternate undeveloped open space property is available for purchase at Alhambra Highlands
- Surrounded by residential development, Pine Meadow perfectly fits infill policy.

The property owners insisted on receipt of an official written resolution at that time, so the meeting continued on until the city attorney could write one.



Golfers walk the course on the last day of operation at Pine Meadow Golf Course in Martinez in 2015.

Water Education Foundation

Climate Change Impacts Here to Stay for California Farmers, Grower Says



[Russ Lester, co-owner of Dixon Ridge Farms](#)

California agriculture is going to have to learn to live with the impacts of climate change and work toward reducing its contributions of greenhouse gas emissions, a Yolo County walnut grower said at the Jan. 26 California Climate Change Symposium in Sacramento.

“I don’t believe we are going to be able to adapt our way out of climate change,” said Russ Lester, co-owner of Dixon Ridge Farms in Winters. “We need to mitigate for it. It won’t solve the problem but it can slow it down.”

Lester, who grows walnuts on 600 acres, said he prefers the term “climate weirdness” to climate change. He said increased groundwater storage and flood water capture are key to ensuring that the state’s multibillion-dollar agriculture industry stays productive even with warming temperatures and less snow.

“We farm in a very narrow frame of weather patterns,” Lester said. “Farmers fear spikes more than averages.”

As an example, Lester pointed to his operation, where warmer temperatures have a direct impact on crop quality. Temperatures of 90 degrees Fahrenheit during the blooming period in April can eliminate 30 percent of the walnut crop, he said.

While he thinks that groundwater storage is a strategy to cope with climate change, Lester is not as keen on building surface water storage. Lester said it has limited benefit because it’s expensive, all of the good sites have been taken and there is too high of an evaporative loss, which can reach as much as 30 percent. There have been calls to bioengineer crops to withstand climate change but that “can only do so much” and science “can’t breed for extremes,” Lester said.

Instead, farmers have to improve their stewardship of the soil while actively reducing their greenhouse gas emissions. Lester said Dixon Ridge Farms became 100 percent carbon-neutral through the use of renewable energy solar and walnut husks that are used to power a biogas

generator to power his walnut-processing operation in 2012 after five years of planning. He said he believes the agricultural sector can meet the goals of California's greenhouse gas emissions reduction law "easily in a short time frame."

Ultimately, the projected climate change impacts will affect California's farming industry.

"I don't think we will be able to grow some of the crops we are currently growing," Lester said.

East Bay Times

Greenbelt Alliance report for Bay Area

Despite gains, much land at risk of sprawl

Region must balance desire for open space with need for more affordable housing

By Paul Rogers

January 31, 2017

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Nearly 300,000 acres across the Bay Area — an area 10 times the size of San Francisco — remain at risk of sprawl development, according to a new report released Tuesday, despite the region's momentous gains over the past 30 years of preserving parks and open space.

Contra Costa, Sonoma and Santa Clara counties have the most land potentially facing bulldozers, said the Greenbelt Alliance, a San Francisco-based environmental group that conducts the most comprehensive survey of development patterns in the Bay Area every five years.



New homes in the Wallis Ranch development sit in the mostly unbuilt Tassajara Valley region of Dublin.

“We should be proud of what we’ve accomplished in the Bay Area,” said Jeremy Madsen, CEO of the Greenbelt Alliance. “But there’s still a lot of work to do.”

With the Bay Area a major jobs engine that brings in more people every year, most cities have not kept pace with housing needs, causing developers and some environmental groups to call for streamlining rules to make it easier to build within existing urban areas.

From the Marin headlands to Mount Diablo to Henry Coe State Park, the Bay Area arguably has the most protected open space of any major metropolitan region in the United States.

Of 4.4 million total acres in the Bay Area, the report found:

- 27 percent is permanently protected in national parks, state parks, local parks, wildlife refuges and open space preserves, the legacy of more than 100 years of conservation work.
- 48 percent is classified as “low risk,” land where zoning allows only farms or ranches, limits building on hillsides or where development is blocked by urban growth boundaries.
- Another 18 percent is urban.

- And the remaining 7 percent is open land “at risk” of development in the next 30 years. Of that, about 1 percent is “high risk,” meaning development could occur in the next 10 years.

Areas in the highest risk category include cattle ranches outside Brentwood, Antioch and Oakley in Contra Costa County; the Coyote Valley in South San Jose; and the Cargill salt ponds in Redwood City, where a developer has proposed building 12,000 houses in a project that faces stiff opposition.

Development groups say that building rules have become too strict overall and have led to some of the highest housing prices in the nation.

“One of the byproducts is the housing shortage,” said Lisa Vorderbrueggen, a spokeswoman for the Building Industry Association of the Bay Area, based in Walnut Creek. “We’re not advocating paving over parks, but there has to be a better balance.”

Large sections filled

In the 1950s and 1960s, city leaders around the Bay Area regularly approved filling large sections of San Francisco Bay for developments like Foster City. They paved tens of thousands of acres of orchards for massive subdivisions and built freeways through ranchlands.

But in the last two generations, parks and open space advocates have held the upper hand, winning nearly every major development battle.

In 1989, the first year the Greenbelt Alliance conducted its five-year report, it classified 781,100 acres as “at risk,” a number that has fallen by 63 percent today. That drop didn’t come because most of the land was paved over. The amount of urban land in the Bay Area grew by only 7 percent since 1989, according to the Greenbelt Alliance’s reports.

Rather, there was a huge expansion in the size and number of parks and open space preserves. Since 1989, the amount of permanently protected land in the Bay Area grew by 68 percent — nearly half a million acres — to the current 1.2 million acres.

“One of the big things that makes the Bay Area special is that this is a place where you can go to work and be up in the hills in 30 minutes to be hiking in some place that feels truly wild,” said Madsen. “It’s a quality-of-life issue. We have the opportunity to be on the coast, and in redwood forests, and places that feel nonurban right in our backyard.”

Voters have repeatedly passed parks bonds, parks taxes and other tools at the ballot, often with the endorsement of business groups like the Silicon Valley Leadership Group.

In November, voters approved a \$12 parcel tax for all nine Bay Area counties to raise \$500 million to buy wetlands and fund flood control work around the shoreline of San Francisco Bay. Two years earlier, 71 percent of voters in Alameda and Contra Costa counties approved a \$500 million bond measure for the East Bay Regional Park District, and voters by a similar majority approved \$300 million in bonds for the Midpeninsula Regional Open Space District and a \$24 annual parcel tax for the Santa Clara Valley Open Space Authority.

Increasingly, open space groups are now agreeing with development groups that more apartments and condominiums need to be built within city limits.

But many cities, from Walnut Creek to Palo Alto, have seen dense, in-fill development plans die over “not in my backyard” neighborhood opposition. Last year, Gov. Jerry Brown floated a plan

to streamline approvals for developers who built housing within existing city limits. But it died after environmental groups like the Natural Resources Defense Council opposed it as a rollback of CEQA, the law that requires environmental impact statements of traffic, air pollution, noise and other concerns. And union groups such as the California Labor Federation that wanted prevailing wage, or union wages, required on such projects also opposed it.

“The state needs to basically tell communities you are going to have to give up some of your local control for the greater good,” said Vorderbrueggen of the building industry association. “Otherwise, more people are going to be driving two hours to work each way so they can find a house they can afford, and people’s kids and grandkids won’t be able to afford to live here.”

“One of the byproducts (of strict rules for development) is the housing shortage. We’re not advocating paving over parks, but there has to be a better balance.”

— Lisa Vorderbrueggen, Building Industry Association of the Bay Area