



Lou Ann Texeira  
Executive Officer

**MEMBERS**

Candace Andersen <i>County Member</i>	Michael R. McGill <i>Special District Member</i>
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Federal Glover <i>County Member</i>	Igor Skaredoff <i>Special District Member</i>
	Don Tatz in <i>City Member</i>

**ALTERNATE MEMBERS**

Diane Burgis <i>County Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>
Charles R. Lewis, IV <i>Public Member</i>

May 9, 2018 (Agenda)

May 9, 2018  
Agenda Item 8

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

**Reclamation District 2121**

Dear Members of the Commission:

**SUMMARY:** In January 2018, the Commission received an update on the status of Reclamation District (RD). At that time, the Commission’s subcommittee (Commissioners Burgis, McGill and Skaredoff) provided an update on their tour of the RD 2121 property/levee and follow-up communications with the District.

The subcommittee’s report included historical information pertaining to RD 2121, along with information concerning recent activities in Sacramento to address inactive districts [i.e., Little Hoover Commission report, new legislation (SB 448), letters from the State Controller’s Office (SCO), etc.]. As requested by the Commission, the subcommittee’s report also included a summary of basic legal requirements that districts must meet to operate lawfully (e.g., prepare/file financial reports/audits, comply with State laws relating to public records, ethics training, Brown Act requirements, elections, etc.).

Following the January 2018 LAFCO meeting, LAFO sent a letter to RD 2121 reiterating the basic requirements for districts and requesting an update to the Commission by June 30, 2018 (Attachment 1).

On April 4, 2018, LAFCO received a letter from RD 2121 thanking LAFCO for explaining the State requirements and for acknowledging the challenges faced by the District (Attachment 2). District representatives explained that they operate a small family farm and the State’s requirements place a burden on their small operation. Consequently, their small family-run District can no longer remain an independent district.

**DISCUSSION:** For many years, RD 2121 has struggled with administrative, governance, financial and infrastructure matters, as detailed in the 2009 and 2015 LAFCO Municipal Service Reviews (MSRs) and in the 2015 Contra Costa County Grand Jury Report No. 1607. Like other reclamation districts, RD 2121 does not receive property tax; income is derived from

assessments which are self-imposed. Further, in January 2017, Contra Costa LAFCO received a letter from the SCO which identified RD 2121 as an inactive district and a candidate for dissolution.

Following the 2015 MSR, LAFCO adopted a zero sphere of influence (SOI) for RD 2121 signaling a future change of organization (e.g., dissolution).

In November 2017, the LAFCO subcommittee and staff met with Tom Bloomfield, RD 2121 Board Member and landowner. The subcommittee toured the levee and learned that RD 2121 was successful in acquiring fill material at little/no cost; also that RD 2121 had improved a portion of its levees, which, as reported by the District, now meets/exceeds FEMA standards. Both the LAFCO subcommittee and RD 2121 acknowledge that the District has little/no funding, no assets, no liabilities and no financial documents; is inactive; and does not currently function as a public agency.

LAFCO staff recently confirmed with District representatives the following:

- All assets (e.g., land, property, etc.) are wholly owned by two partnerships: *Jack Bloomfield Family Limited Partnership* and *Nancy C. Bloomfield Family Limited Partnership*.
- RD 2121 has no assets, property or funds.
- RD 2121 has no liabilities and the District is aware of no claims against RD 2121.
- Any improvements made on behalf of RD 2121 were funded by family farming income.
- No taxes were filed by RD 2121, as there was no income or expenses.

Members of the subcommittee offered aid to RD 2121 with governance matters (e.g., posting meeting agendas, etc.) and administrative matters (e.g., compliance, financial reporting, etc.). As a follow-up, Commissioner McGill met with Mr. Bloomfield in December 2017 to discuss next steps. Commissioner McGill provided a summary of his meeting with Mr. Bloomfield to the subcommittee, noting at that time that RD 2121 would prefer to remain a district so long as it didn't require a lot of paperwork.

However, based on the recent letter, it appears that RD 2121 has determined that it can no longer remain an independent special district due to onerous State requirements. The Commission should consider whether or not LAFCO should initiate dissolution of RD 2121 and provide direction to staff.

By statute the County is the entity that the law requires to be named as successor agency to the District, because the territory of the District is located entirely within the unincorporated area. In this unique situation, however, because the District does not appear to have any assets or liabilities, the designation of County as successor is likely to be in name only, without any actual responsibilities. Therefore, if the Commission chooses to adopt a resolution initiating dissolution, the resolution will appoint the County as the successor agency to wind up the affairs of District "if any." If successor responsibilities arise in the future, the County will have the authority to resolve the matters that fall within its jurisdiction as successor agency.

**ALTERNATIVES FOR COMMISSION ACTION:** After consideration of this report and any additional materials submitted, the Commission should consider taking one of the following actions:

**Option 1** Adopt a resolution initiating dissolution and naming the County as successor agency (Attachment 3), and direct LAFCO staff to work with the parties on dissolution subject to future consideration by the Commission. This is consistent with LAFCO law as Government Code §57451(b)] provides that *“For the purpose of winding up the affairs of a dissolved district...if the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the successor.”*

**Option 2** If the Commission needs more information, CONTINUE this matter to a future meeting.

**RECOMMENDED ACTION: Option 1.**

Sincerely,

LOU ANN TEXEIRA  
EXECUTIVE OFFICER

Attachments:

- 1 – January 23, 2018 LAFCO Letter to RD 2121
- 2 – April 4, 2018 Letter from RD 2121 to LAFCO
- 3 – Draft Resolution Initiating Dissolution of RD 2121

c: Tom Bloomfield, RD 2121

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION**  
 651 Pine Street, Sixth Floor • Martinez, CA 94553-1229  
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 (925) 335-1094 • (925) 335-1031 FAX



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 County Member

Sharon Burke  
 Public Member

Tom Butt  
 City Member

Stanley Caldwell  
 Special District Member

January 23, 2018

Tom Bloomfield  
 Reclamation District 2121  
 2030 Newton Road  
 Brentwood, CA 94513

**Subject: Status of Reclamation District 2121**

Dear Mr. Bloomfield,

This is a follow-up to the January 10, 2018 Contra Costa LAFCO meeting at which time the Commission received a report from the subcommittee – Commissioners Burgis, McGill and Skaredoff. The Commissioners discussed the status of Reclamation District (RD) 2121 and the basic requirements for RD 2121 remaining an independent special district under state law as summarized in the subcommittee's report (attached).

In November 2015, LAFCO adopted a zero sphere of influence (SOI) for RD 2121, signaling a future change of organization for the District (e.g., dissolution). The SOI update followed two LAFCO Municipal Service Reviews in 2009 and 2015 which found deficiencies in RD 2121's administration, governance and operations, including lack of financial documents and reporting, capital planning, inspection records, transparency and failure to meet the State's minimum levee standards.

During the recent tour of RD 2121's levees, Commissioners and LAFCO staff learned that the District has made improvements to a portion of its levees. LAFCO acknowledges the progress and importance of physical improvements to the levee system.

As noted in the attached LAFCO report, there are a number of administrative duties that are required under state law in order to remain an independent district, including filing the District's financial reports such as annual audits and reports to the State Controller's Office; and complying with various state laws including the Brown Act, Public Records Act, and Political Reform Act. Diane Burgis, Contra Costa County Supervisor (District 3) and Igor Skaredoff, Board Member, Contra Costa Resource Conservation District have offered assistance to RD 2121 with compliance measures.

The Commission has requested an update from RD 2121 the District's compliance efforts by **June 30, 2018**. The subcommittee members and LAFCO staff are available to meet and/or discuss the update. Feel free to contact us at (925) 335-1094.

Thank you and we look forward to receiving an update.

Sincerely,

*Diane Burgis, Mike McGill and Igor Skaredoff*

Attachment – January 10, 2018 Subcommittee Report

April 4<sup>th</sup>, 2018

Ms. Lou Ann Texeira  
LAFCO Executive Officer  
651 Pine Street 6<sup>th</sup> Floor  
Martinez, CA 94553

Subject: Status of Reclamation District 2121  
LAFCO Letter dated January 23, 2018

Dear Ms Texeira,

Our family wishes to thank you and the LAFCO District Commissioners Burgis, McGill and Skaredoff for explaining the new Reclamation District guidelines and understanding the Reclamation District 2121's challenges. It is your field trip to our property that exposed the State's burden placed on our small family farm.

Based on the growing documentation and operational requirements required under the California state law, our small family-run Reclamation District can no longer remain an independent district. With reservation, we must rescind the Reclamation District 2121 designation.

Please confirm the receipt of our email via email to [Mitch@BloomfieldCherries.com](mailto:Mitch@BloomfieldCherries.com)

Sincerely,

*Tom Bloomfield*

Tom Bloomfield  
Managing Partner of Bloomfield Bixler  
Reclamation District 2121  
2030 Newton Drive  
Brentwood, CA 94513  
(925)550-5540

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION  
COMMISSION TO INITIATE PROCEEDINGS FOR DISSOLUTION OF  
RECLAMATION DISTRICT (RD) 2121 AND APPOINTING  
CONTRA COSTA COUNTY AS SUCCESSOR AGENCY TO  
WIND UP THE AFFAIRS OF THE RD 2121**

**WHEREAS**, the Commission desires to initiate a proposal pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act), commencing with section 56000 of the California Government Code, for the dissolution of the Reclamation District (RD) 2121 and appointment of Contra Costa County as successor agency to wind up the affairs of RD 2121 pursuant to Government Code §57451(b); and

**WHEREAS**, in accordance with Government Code §56375(a)(3), LAFCO may initiate a dissolution if it is consistent with a recommendation or conclusion of a study prepared pursuant to Government Code §56378, 56425 or 56430, and LAFCO makes the determinations specified in §56881(b); and

**WHEREAS**, in 2009 and 2015, Contra Costa LAFCO completed Municipal Service Reviews (MSRs) covering reclamation services, including RD 2121; and

**WHEREAS**, in November 2015, the Commission adopted a zero sphere of influence (SOI) for RD 2121, signaling a future change of organization (i.e., dissolution); and

**WHEREAS**, dissolution of the RD 2121 is consistent with the findings and recommendations of the MSRs and the Commission's prior action adopting a zero SOI for RD 2121; and

**WHEREAS**, this proposed dissolution is being initiated because, for many years, RD 2121 has experienced financial, operational and governance challenges. According to MSRs, the District has limited financial resources; governance, accountability and transparency challenges; lack of capital planning documents and levee inspection records; and infrastructure challenges; and

**WHEREAS**, RD 2121 currently has no assets or liabilities; and

**WHEREAS**, pursuant to Government Code §57451(b), for the purpose of winding up the affairs of a dissolved district, if the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the successor; and

**WHEREAS**, pursuant to Government Code §56886, terms and conditions relating to the proposed dissolution and appointment of Contra Costa County as the successor agency to wind up the affairs of the RD 2121 will be developed as part of LAFCO's proposal; and

**WHEREAS** a map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein; and

**WHEREAS**, the LAFCO Executive Officer shall be designated as the contact person for this proposal; and

**WHEREAS**, the Commission determined, as lead agency for the purposes of the California Environmental Quality Act (CEQA), that the proposed dissolution is exempt under §15320 of the CEQA Guidelines, and directs staff to file a Notice of Exemption.

**NOW, THEREFORE**, this resolution is hereby adopted by Contra Costa LAFCO to initiate proceedings for dissolution of RD 2121 and appointment of Contra Costa County as successor agency to wind up the affairs of the RD 2121, if any, in the manner provided by the CKH Act.

PASSED AND ADOPTED this 9<sup>th</sup> day of May 2018

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Michael R. McGill, CHAIR, CONTRA COSTA LAFCO

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

Dated: May 9, 2018

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Lou Ann Texeira, Executive Officer

# RD 2121 Boundary and Zero SOI

