

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

April 17, 2019 (Agenda)

April 17, 2019
Agenda Item 7

LAFCO 18-14 Santiago Village Reorganization – Annexations to Contra Costa Water District (CCWD) and Diablo Water District (DWD)

PROPONENT Diablo Water District – Resolution 2018-11, October 24, 2018

SYNOPSIS The applicant proposes to annex 23.11± acres composed of one parcel (APN 029-050-038), which includes the Santiago Island Village (SIV) Mobile Home Park and a portion of Gateway Road. The subject area is located at 3505 Gateway Road in unincorporated Bethel Island. (Exhibit 1).

Annexation will bring the subject property and a portion of road right-of-way into the service boundary of CCWD and DWD, and will allow for the extension of municipal water service to approximately 300 residents (211 connections and 100 daily visitors) as recommended by the State Water Resources Control Board (SWRCB). As proposed, CCWD will provide wholesale water and DWD will provide treated water to the property. This will eliminate the need for reliance on a single groundwater well. The single well could potentially fail, which would create a water supply issue as well as a potential for contamination within the mobile home park. Further, the existing groundwater well exceeds the secondary maximum contaminant level for manganese.

DISCUSSION

Government Code §56668 sets forth factors that the Commission must consider in evaluating a proposed boundary change as discussed below. In the Commission's review, no single factor is determinative. In reaching a decision, each is to be evaluated within the context of the overall proposal.

1. **Consistency with the Sphere of Influence (SOI) of Any Local Agency:**

The subject area is within the SOIs of CCWD and DWD as approved by the Commission on February 13, 2019; and is within the Contra Costa County Urban Limit Line (ULL).

2. **Land Use, Planning and Zoning - Present and Future:**

The existing land use is a mobile home park. The County's land use designations for the subject area include Mobile Home/Manufactured Home Park and Flood Hazard. The proposed annexations will have no effect on the land uses.

3. **The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands and Open Space Lands:**

There are no proposed land use changes or impacts to agricultural/open space lands associated with the proposed annexations. No portion of the subject area is designated for agricultural or open space, nor is the subject area subject to a Williamson Act contract.

Surrounding land uses include limited development around the mobile home park, including a golf course to the north (Park & Recreation), commercial uses to the east, the Delta Coves residential development site and water to the south, and rural residential (low density) to the west.

4. **Topography, Natural Features and Drainage Basins:**

The subject property is located on Bethel Island and is largely flat with a ditch on the west side of the property. To the south is the Delta Coves development site and open water.

5. Population:

No development is proposed in conjunction with the proposed annexations, and no population increase will result from this proposal. The population of the subject area is approximately 300.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. No new residential development is proposed; thus, the proposed annexations will have no effect on regional housing needs.

7. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

Whenever a local agency submits a resolution of application for a change of organization or reorganization, the local agency shall also submit a plan for providing services within the affected territory (Gov. Code §56653). The plan shall include all of the following information and any additional information required by the Commission or the Executive Officer:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The subject property is without the boundaries of various municipal service agencies including Contra Costa County, East Contra Costa Fire Protection District, and Ironhouse Sanitary District.

The proposed annexation will bring the subject area into the service boundaries of CCWD and DWD and will allow for the extension of municipal water service to approximately 300 residents (211 connections and 100 daily visitors) as recommended by the SWRCB. As proposed, CCWD will provide wholesale water and DWD will provide treated water to the property. As noted above, this will eliminate the need for reliance on the existing single groundwater well, which has existing water quality issues and could potentially fail.

8. Timely Availability of Water and Related Issues:

Pursuant to the CKH, LAFCO must consider the timely and available supply of water in conjunction with boundary change proposals. Contra Costa LAFCO policies state that any proposal for a change of organization that includes the provision of water service shall include information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The proposal before the Commission includes annexation of the subject property to CCWD for wholesale water. CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), DWD (Oakley), and the City of Antioch. CCWD serves approximately 500,000 (61,085 water connections). CCWD's primary sources of water are the U.S. Bureau of

Reclamation (USBR) Central Valley Project (CVP) and delta diversions. One of CCWD's prerequisites for service, including annexation, is inclusion in the CVP service area. The CVP inclusion review is a separate process and requires specific environmental documents. The landowner and CCWD will work together to complete the CVP process.

The proposal also includes annexation to DWD for retail water. DWD encompasses 21+ square miles including Oakley, downtown Knightsen, parts of Bethel Island including Delta Coves, and unincorporated areas including the Hotchkiss Tract, East Cypress Corridor Specific Plan Area, and the Summer Lakes development. DWD collects, treats and supplies municipal water to over 40,000 residents. The District's primary sources of water include CVP (purchased from CCWD) and groundwater extracted from Tracy sub-basin.

DWD intends to serve the SIV with a treated water line extension from the adjacent Delta Coves residential subdivision that already lies within the DWD SOI and service area. The SIV will construct a water service line from the DWD meter to connect to the existing water system.

According to the SWRCB, the existing water treatment system is limited, and there is no distribution system storage or pumping facilities. Based on current use, the average monthly demand for 2016 and 2017 was 926,117 gallons, and a maximum monthly demand of 2,051,600 gallons during September 2017. According to their recent future water supply studies and urban water management plans, both CCWD and DWD indicate they have the capacity to serve the project.

9. Assessed Value, Tax Rates and Indebtedness:

The annexation area is within tax rate area 82006. The assessed value for the annexation area is \$9,756,167 (2018-19 roll). The territory being annexed shall be liable for all authorized or existing taxes and bonded debt comparable to properties presently within the annexing agencies.

10. Environmental Impact of the Proposal:

DWD, as Lead Agency, found the project exempt pursuant to CEQA Guidelines sections 15303(d) – New Construction or Conversion of Small Structures and section 15319(a) Annexations of Existing Facilities and Lots for Exempt Facilities.

11. Landowner Consent and Consent by Annexing Agency:

All landowners and registered voters within the proposal area and within 300 feet of the subject area received notice of the LAFCO hearing. The sole landowner has consented to the proposed annexations. County Elections reports there are more than 12 registered voters in the subject area; therefore, the subject area is considered inhabited. Thus, if the Commission receives objection from any registered voter residing with the subject area, LAFCO must conduct a protest hearing. Absent any objection received before the conclusion of the commission hearing on April 17, 2017, the Commission will waive the protest proceedings.

12. Boundaries and Lines of Assessment:

Maps and legal descriptions to implement the proposed annexations have been received and are subject to final approval by the County Surveyor.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The subject area is located on Bethel Island, which is, in its entirety, a disadvantaged

community. Thus, the proposed annexation will promote the fair treatment of minority or economically disadvantaged groups by supplying reliable, quality water to the subject area.

14. Disadvantaged Communities:

Pursuant to SB 244, local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/ amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County's Department of Conservation and Development, the annexation area meets the criteria of a DUC. The extension of municipal water to the SIV will better serve this community.

15. Comments from Affected Agencies/Other Interested Parties:

To date, LAFCO has received one comment letter from James Tackitt (Exhibit 2). Mr. Tackitt raises questions regarding the metering, water rates and water requirements relating to landscape maintenance. With help from CCWD, DWD and Santiago Communities, Inc., LAFCO staff has responded to Mr. Tackitt. To date, LAFCO has received no other comments from affected agencies or other interested parties.

16. Regional Transportation and Regional Growth Plans:

In its review of a proposal, LAFCO shall consider a regional transportation plan adopted pursuant to Section 65080 [Gov. Code section 56668(g)]. Further, the commission may consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis (Gov. Code section 56668.5).

Regarding these sections, LAFCO looks at consistency of the proposal with the regional transportation and other regional plans affecting the Bay Area.

SB 375, a landmark state law, requires California's regions to adopt plans and policies to reduce the generation of greenhouse gases (GHG), primarily from transportation. To implement SB 375, in July 2013, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) adopted Plan Bay Area. In 2017, ABAG/MTC released Plan Bay Area 2040, which updated the 2013 Plan Bay Area; and in August/September 2019, ABAG/MTC will kick off the Plan Bay Area 2050 process.

The Plan focuses on where the region is expected to grow and how development patterns and the transportation network can work together to reduce GHG emissions.

The Plan also directs future development to infill areas within the existing urban footprint and focuses most growth in self-identified Priority Development Areas (PDAs). PDAs include infill areas that are served by transit and located close to other amenities, allowing for improved transit, bicycle and pedestrian access thereby reducing GHG. The Plan also aims to protect open space and agricultural land by directing 100% of the region's growth inside the year 2010 urban footprint, which means that all growth occurs as infill development or within established urban growth boundaries or urban limit lines.

It should be noted that the subject property is not designated as a "Priority Conservation Area" or a "PDA", and the proposed annexation will have no impact on the regional plan.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following actions:

Option 1 Approve the annexation as proposed.

- A. Find that the project is exempt pursuant to CEQA Guidelines sections 15303(d) – *New Construction or Conversion of Small Structures* and section 15319(a) Annexations of Existing Facilities and Lots for Exempt Facilities, consistent with the determination of DWD, as Lead Agency.
- B. Adopt this report, approve LAFCO Resolution No. 18-14 (Exhibit 3), and approve the proposal, to be known as the *Santiago Island Village Reorganization: Annexations to CCWD and DWD* subject to the following terms and conditions:
 1. This annexation will allow the delivery of treated water for use by the SIV mobile home park and related uses including fire suppression.
 2. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agencies.
 3. DWD has delivered an executed indemnification agreement providing for the District to indemnify LAFCO against any expenses arising from any legal actions challenging the annexation.
 4. Water service is conditional upon CCWD receiving acceptance for inclusion of the annexed area from the USBR, pursuant to the requirements in CCWD's contract with USBR for supplemental water supply from the CVP.
 5. Find that the subject territory is inhabited. Should the Commission receive an objection from any registered voter within the subject area, LAFCO will conduct a protest hearing. Absent any objection received before the conclusion of the commission proceedings on April 17, 2019, the Commission will waive the protest proceedings.

Option 2 Accept this report and DENY the proposal.

Option 3 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Option 1 – Approve the annexations to CCWD and DWD as proposed.






LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

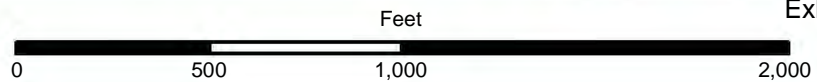
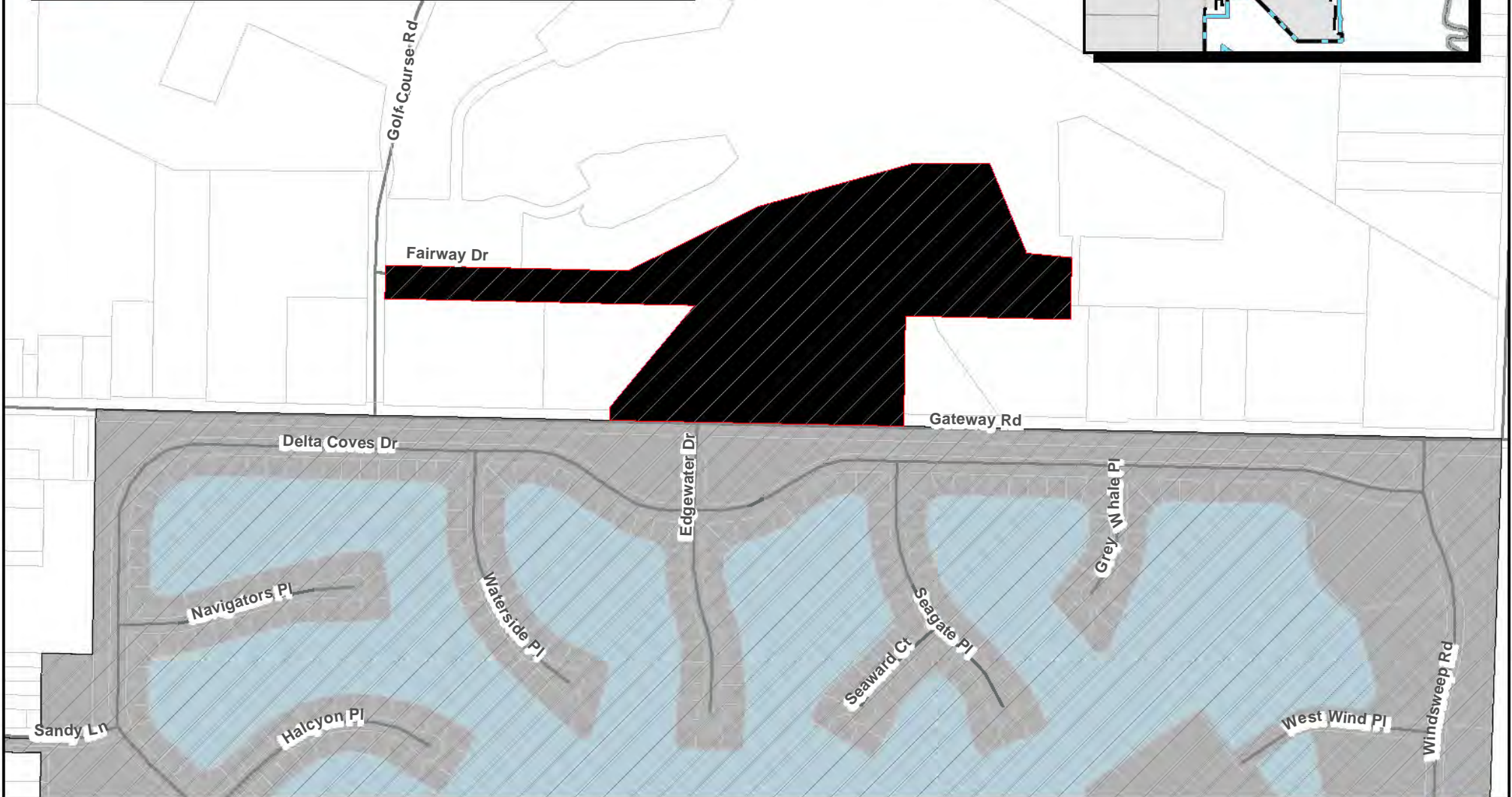
Exhibits

- 1 – Annexation Map
- 2 – Letter from James Tackitt
- 3 – Draft LAFCO Resolution 18-14

c: Distribution

LAFCO No. 18-14 - Santiago Island Village Annexation to CCWD and DWD

-  LAFCO 18-14
-  Contra Costa Water District, Diablo Water District
-  Contra Costa Water District SOI, Diablo Water District SOI
-  Parcels
-  County Urban Limit Line



RECEIVED

APR 04 2019

Per KS

4-2-19

James W. Tackitt II
PO Box Bethel Island Ca.
94511

Contra Costa LAFCO,

I'm a concerned, new resident to SIV at 3505 Gateway Road, Bethel Island Ca. I just purchased a mobile unit here, in July 2018. I was relocated here, by eminent domain, by the city of Oakley, Ca., with the help of ARWS, (Associated Right of Way Services, Inc.). California Gov. Code 7260 Title 25, Chapter 6.

Like so many others who reside in Santiago Island Village, I'm living under my means, on low income. I'm very concerned about my budget and these, "charges and fees", you mentioned in your letter.

Also, I received this letter of, "Notice of Public Hearing", just two weeks before April 17th, the date of your public meeting regarding these changes to our water supply. Not nearly time enough to unit my neighbors on this matter. Unfortunately, because of this short notice, the time of your meeting, and my unfortunate position of employment, I won't be able to make this Public Hearing.

It's my understanding that the decision to supply city water to us, has already been established. That's fine with me, I could use an improvement to my water and I'm very appreciative for it.

I have several questions but will only address the ones I believe affect the park residence's as a whole.

1). Are we going to be on independent metering?

Note,

I live by myself and use very little water. The park rules require us to maintain landscapes, Lawns, currently and the water, at the moment, cost us nothing to achieve this requirement.

2). Is the new water supply being delivered to us, (individual unit/lots), in separate lines or does the water district plan on using existing water lines?

Note,

Santiago has a history of having very bad water lines. (I believe, they are old). They have constant leaks, and no independent mains, at the street.

Also, It's my understanding, the water district plans on the later, using existing lines. This means, there will be no will water, as a choice, to water our landscapes with. (If this is the case, we will be using costly water to water our landscape with).

We are restricted, by park rules to NOT, put in low maintenance landscape and are regulated by them on when we can and can't water.

It's my worries that, if the park has control over our prices and bills with our water usage then things may get out of control.

I myself, prefer to have a meter on my own unit/lot AND, the supply to be separated from the parks well water. This would suit all needs and conserve water in the summertime months.

If the above, is not an option?, then, I expect our cost to be substantially less then the general public.

Please consider, James Tackitt, at M-21 Santiago Island Village.

RESOLUTION NO. 18-14

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
SANTIAGO ISLAND VILLAGE REORGANIZATION: ANNEXATIONS TO CONTRA COSTA
WATER DISTRICT (CCWD) AND DIABLO WATER DISTRICT (DWD)**

WHEREAS, the Santiago Island Village (SIV) Reorganization proposal was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.); and

WHEREAS, at the time and in the manner required by law the Executive Officer gave notice of the Commission's consideration of the SIV Reorganization proposal; and

WHEREAS, the Commission held a public hearing on April 17, 2019, on the SIV Reorganization proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to this proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental documents and determinations, Spheres of Influence and applicable General and Specific Plans.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

1. Find that the project is exempt pursuant to CEQA Guidelines sections 15303(d) – *New Construction or Conversion of Small Structures* and section 15319(a) Annexations of Existing Facilities and Lots for Exempt Facilities, consistent with the determination of DWD, as Lead Agency.
2. Said reorganization is hereby approved.
3. The subject proposal is assigned the distinctive short-form designation:
SANTIAGO ISLAND VILLAGE REORGANIZATION: ANNEXATIONS TO CCWD AND DWD
4. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit 1, attached hereto and made a part hereof.
5. Approval of the Santiago Island Village Reorganization - Annexations to CCWD and DWD subject to the following:
 - a. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
 - b. DWD has delivered an executed indemnification agreement between DWD and Contra Costa LAFCO providing for DWD to indemnify LAFCO against any expenses arising from any legal actions challenging the SIV Reorganization.
 - c. Water service is conditional upon CCWD receiving acceptance for inclusion of the annexed area from the USBR, pursuant to the requirements in CCWD's contract with USBR for supplemental water supply from the CVP.

Contra Costa LAFCO
Resolution No. 18-14

6. Said territory is found to be inhabited. LAFCO will conduct a protest hearing should the Commission receive an objection from any registered voter residing with the subject area. Absent any objection received before the conclusion of the commission proceedings on April 17, 2019, the Commission will waive the protest proceedings.
7. The territory proposed for reorganization is inhabited, the proposal has 100% landowner consent, and the conducting authority (protest) proceedings are hereby waived.
8. All subsequent proceedings in connection with the SIV Reorganization shall be conducted only in compliance with the approved boundaries set forth in this resolution.

* * * * *

PASSED AND ADOPTED THIS 17th day of April 2019, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

TOM BUTT, 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.

Dated: April 17, 2019

Lou Ann Texeira, Executive Officer