CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

Lou Ann Texeira
Executive Officer

NOTICE AND AGENDA FOR REGULAR MEETING

Wednesday, June 10, 2020, 1:30 PM
***** BY TELECONFERENCE ONLY *****

Consistent with the California Governor's Executive Order N-29-20, issued on March 17, 2020, this meeting will be held by teleconference only. No physical location will be available for this meeting.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

Members of the public can listen to the meeting telephonically toll free by dialing **1-844-517-1271** and entering the meeting access code: **964 354 510** followed by #. No meeting ID is needed – press # again to continue.

LAFCO meetings are audio recorded and posted online at http://contracostalafco.org/meetings-and-public-hearings/. Audio recordings are available the day following the LAFCO meeting. LAFCO meeting materials and staff reports are available online at http://contracostalafco.org/meetings-and-public-hearings/.

PUBLIC COMMENT may be submitted to LouAnn.Texeira@lafco.cccounty.us or by mail to Contra Costa LAFCO at 40 Muir Road 1st Floor, Martinez, CA 94553. If you are commenting on a specific agenda item, please include the agenda item number. Public comments received will be provided to the Commissioners. If you want your comments read into the record you must indicate so in the subject line. The Commission will consider all comments received. For public hearings, the Chair will announce the opening and closing of the public hearing.

NOTICE TO THE PUBLIC

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 40 Muir Road, First Floor, Martinez, CA, during normal business hours as well as at the LAFCO meeting.

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 925-313-7133. An assistive listening device is available upon advance request.

JUNE 10, 2020 CONTRA COSTA LAFCO AGENDA

1. Call to Order and Pledge of Allegiance
2. **Welcome Returning Commissioner**
3. **Introduction of New LAFCO Employee**
4. Roll Call
5. Adoption of Agenda
6. Approval of Minutes for the March 11, 2020 regular LAFCO meeting
7. 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.

BUSINESS ITEMS

8. ***Fiscal Year 2020-21 Final Budget and Work Plan*** - approve the proposed budget and work plan for FY 2020-21 ***Public Hearing***
9. ***Request for Proposals – Environmental Planning Services -*** review draft Request for Proposals (RFP), provide input and authorize staff to release the RFP for environmental planning services
10. ***Proposed Update to Contra Costa LAFCO's Legislative Platform –*** review and approve minor revisions to the Legislative Platform consistent with the CALAFCO 2020 Legislative Policies
11. ***LAFCO 18-06 – Chang Property Reorganization: Annexations to City of San Ramon, Central Contra Costa Sanitary District, and East Bay Municipal Utility District and Detachment from County Service Area P-6*** – consider landowner's request for extension of time to record the boundary reorganization
12. ***Request to Transfer Jurisdiction from Alameda LAFCO to Contra Costa LAFCO*** (Meineke Property)- consider assuming jurisdiction and authorizing staff to send a request to Alameda LAFCO to transfer jurisdiction in order to consider a proposal to annex territory to the East Bay Municipal Utility District
13. ***Request to Transfer Jurisdiction from Alameda LAFCO to Contra Costa LAFCO*** (Magee Preserve) - consider assuming jurisdiction and authorizing staff to send a request to Alameda LAFCO to transfer jurisdiction in order to consider a proposed boundary reorganization involving annexations to Central Contra Costa Sanitary District and East Bay Municipal Utility District
14. ***FY 2019-20 Third Quarter Budget Report -*** receive FY 2019-20 third quarter budget report
15. ***Actuarial Evaluations –*** receive Actuarial Evaluations – *Informational Item – no action required*

CORRESPONDENCE

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

INFORMATIONAL ITEMS

17. Commissioner Comments and Announcements
18. Staff Announcements
    - CALAFCO Updates
    - Pending Projects
    - Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting July 8, 2020 at 1:30 pm.

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

June 10, 2020
Agenda Item 6

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
DRAFT MEETING MINUTES
March 11, 2020

1. Welcome, Call to Order and Roll Call
Chair Andersen called the regular meeting of March 11, 2020 to order at 1:31 PM.
The following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Candace Andersen, Vice Chair	Diane Burgis	Lou Ann Texeira, Executive Officer
Igor Skaredoff, Vice Chair	Stan Caldwell	Mary Ann Mason, Commission Counsel
Don Blubaugh	Chuck Lewis	Danielle Kelly, Interim LAFCO Clerk
Tom Butt	Sean Wright	
Federal Glover		
Mike McGill		
Rob Schroder		

2. Welcome Returning Commissioners
Chair Andersen welcomed returning Commissioner Burgis, who was recently reappointed to LAFCO by the County Board of Supervisors; and Commissioner McGill, who was recently reappointed to LAFCO by the Independent Special District Selection Committee.

3. Pledge of Allegiance
Chair Andersen led the Pledge of Allegiance.

4. Adoption of Agenda
Upon motion by Commissioner Blubaugh and second by Commissioner Skaredoff, the Commission unanimously, by a 7-0 vote, adopted the agenda as revised:

VOTE:

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

5. Approval of Minutes
Upon motion by Commissioner McGill and second by Commissioner Blubaugh, the February 12, 2020 meeting minutes were unanimously approved.

VOTE:

AYES: Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

6. Public Comments
Chair Andersen invited members of the audience to provide public comment. There were two speakers.

Lee Mason expressed concerns about the Ambrose Recreation & Park District and the District's budget and administrative costs versus expenditures for park and recreation services.

Debra Mason, Bay Point resident, expressed concerns about the Ambrose Recreation & Park District and urged LAFCO to close the District.

DRAFT

SPHERE OF INFLUENCE AMENDMENTS/CHANGES OF ORGANIZATIONS

7. ***LAFCO 19-08 – West County Wastewater District (WCWD) Annexation No. 320 (Urban Tilth)*** consider annexing one 3.1± acre parcel (APN 408-201-017) and adjacent roadway located at 323 Brookside Drive in unincorporated North Richmond to WCWD; and consider related actions per the California Environmental Quality Act (CEQA)

Following the staff report, Chair Andersen opened the Public Hearing. There were two public speakers: *Rick Wesson,* neighbor, expressed interest in being part of the process, and suggested Urban Tilth consider using honey buckets. Adêle Ho, project proponent, provided a brief overview of the project and community benefits and noted that no permanent residents reside on the site.

Chair Andersen closed the public hearing.

Commissioners McGill and Skaredoff provided comments.

Upon a motion by Commissioner Skaredoff and second by Commissioner Butt, the Commission unanimously approved the annexation.

	VOTE:
AYES:	Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

BUSINESS ITEMS

8. ***Fiscal Year 2020-21 Proposed Budget and Work Plan*** - consider approving the FY 2020-21 proposed budget and work plan

Following the staff report, Chair Andersen opened the Public Hearing. There were no public comments.

Chair Andersen closed the public hearing.

Upon a motion by Commissioner McGill and second by Commissioner Blubaugh, the Commission unanimously approved the FY 2020-21 proposed budget and work plan.

	VOTE:
AYES:	Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

9. Extension of Time – Temporary Employment of LAFCO Retiree – consider approving an extension of time for the temporary employment of Kate Sibley, LAFCO retiree

DRAFT

Following the staff report, upon a motion by Blubaugh and second by Butt, the Commission unanimously approved the extension of time.

VOTE:

AYES:	Andersen, Blubaugh, Butt, Glover, McGill, Schroder, Skaredoff
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

CORRESPONDENCE

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

INFORMATIONAL ITEMS

11. **Commissioner Comments and Announcements**

Commissioner McGill provided updates on the CALAFCO Legislative Committee and the upcoming recruitment for the CALAFCO Executive Director pending Pamela Miller's upcoming retirement.

12. **Staff Announcements**

- CALAFCO legislative activities
- New hire of Executive Assistant/LAFCO Clerk
- Upcoming CALAFCO Staff Workshop – March 25-27 (Orange County)
- Cancellation of April 8, 2020 LAFCO meeting

The meeting adjourned at 2:10 pm.

Final Minutes Approved by the Commission June 10, 2020

VOTE:

AYES:
NOES:
ABSENT:
ABSTAIN:

ADJOURNMENT

The April 8, 2020 LAFCO meeting is cancelled. The next regular LAFCO meeting is June 10, 2020, at 1:30 pm.

By_____________________________________

Executive Officer

DRAFT

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Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 8

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, First Floor
Martinez, CA 94553

FY 2020-21 Final LAFCO Budget

Dear Members of the Commission:

SUMMARY

The Contra Costa Local Agency Formation Commission (LAFCO) must adopt a proposed and final budget each year. On March 11, 2020, the Commission approved the FY 2020-21 Proposed Budget & Work Plan (available at www.contracostalafco.org.). In accordance with Government Code section 56381, the proposed budget was circulated to all affected agencies and interested parties. No comments were received. The FY 2020-21 Final Budget will be presented to the Commission on June 10, 2020.

These are challenging times and the financial fallout of COVID-19 will impact counties, cities, and districts, which fund the majority of LAFCO's budget. In recognition of the financial constraints on local agencies, staff has prepared two budget options, both of which include reductions. *Option 1* (Attachment 1) is similar to the proposed budget presented in March 2020; *Option* 2 (Attachment 2) includes further budget reductions. Brief highlights of FY 2019-20 budget along with a summary of the Final FY 2020-21 LAFCO budget and budget options is provided below.

FY 2019-20 HIGHLIGHTS

FY 2019-20 was a busy year for Contra Costa LAFCO as highlighted below.

Boundary Change and Related Applications

a. Received nine new applications including two annexations, one boundary reorganization, one district dissolution, and five out of agency service requests.
b. Received three requests for time extensions and two requests for transfer of jurisdiction

MSRs/SOI Updates

a. Completed "City Services" MSR/SOI updates covering all 19 cities and four community services districts
b. Initiated 2nd round Parks & Recreation MSR/SOI updates (in process)

Special Projects/Activities

a. Relocation of the LAFCO office to 40 Muir Road
b. Staffing changes (i.e., retirement, recruitments, new hires)
c. Pending Litigation (Los Medanos Community Health Care District vs. Contra Costa LAFCO)

Administrative and Other Activities

a. Reappointment of Commissioners (i.e., both public members, one special district member, one city member and one county member)
b. Completed FY 2017-18 financial audit and initiated FY 2018-19 audit
c. Completed three GASB actuarial reports
d. Completed CCCERA Employer Audit
e. Completed update to LAFCO Directory of Local Agencies
f. Provided comments on various local agency environmental documents
g. Responded to one Grand Jury report
h. Approved updates to LAFCO policies and procedures
i. Participated in SDRMA election

For additional details, regarding goals, accomplishments, and work plan, please refer to the *FY 2020-21 Proposed LAFCO Budget* as presented in the March 11, 2020 LAFCO staff report.

FY 2020-21 FINAL BUDGET

The LAFCO budget is composed of *Expenditures* (i.e., Salaries & Benefits, Services & Supplies, Contingency, CCCERA and OPEB Liabilities*)* and *Revenues* (i.e., Agency Contributions, Application, and other revenues).

Considering the anticipated financial hardship local agencies will endure in FY 2020-21 and likely beyond, LAFCO staff has developed two budget options, both of which reflect reductions.

Both budget options reflect the following as compared to the FY 2019-20 budget:

- Overall decrease in total appropriations
- Overall decrease in *Salaries & Employee Benefits*
- Increase in *Services & Supplies*
- Increase in Contingency Reserve from $80,000 to $100,000 in accordance with LAFCO's policy (10% of budget)

Budget Option 1 includes appropriations totaling $1,016,954 and reflects a decrease in appropriations of 6% as compared to the FY 2019-20 budget. *Option 1* reflects the following:

- 17% decrease in *Salaries & Employee Benefits*
- 4% increase in *Services & Supplies*
- 10% decrease in total expenditures
- 6% decrease in total appropriations
- 8% decrease in agency contributions
- Retains funding (i.e., salary, benefits, employee travel) for a full-time Analyst for 6 months (FY 2019-20 budget includes funding for 12 months)
- Includes funding for a strategic planning session

Budget Option 2 includes appropriations totaling $994,882 and reflects a decrease in appropriations of 9% as compared to the FY 2019-20 budget. *Option 2* reflects the following:

- 37% decrease in *Salaries & Employee Benefits*
- 13% increase in *Services & Supplies* and includes additional funding for MSRs and special studies
- 13% decrease in total expenditures
- 9% decrease in total appropriations
- 11% decrease in agency contributions
- Defers funding for Analyst position
- Includes funding for a strategic planning session
- Increases funding for MSRs
- Includes funding for special studies (e.g., reorganizations, consolidations, mergers, dissolutions)

CONCLUSION: Local government is the first line of defense in the fight against COVID-19. These agencies are also most vulnerable to the fiscal impacts. Revenues will fall but most expenditures will not. Local governments are faced with weathering the current health crisis, as well as how to prepare for the long-term financial challenges.

CALAFCO and LAFCOs around the state are holding weekly conference calls to discuss LAFCO's role in aiding local agencies during these challenging times. In addition to assisting with potential government reorganizations (e.g., consolidation, mergers, dissolutions, reorganizations), LAFCO can also serve as a clearinghouse/resource for local agencies; help facilitate shared services and contracts for services; and conduct special studies and focused MSRs.

Contra Costa LAFCO recognizes the financial constraints on local government, is committed to assisting local agencies, and will continue to exercise fiscal prudence.

Approval of the FY 2020-21 Final Budget will enable LAFCO to perform its core responsibilities and its statutory requirements.

RECOMMENDATIONS:

1. Receive this report and open the public hearing on the Final FY 2020-21 LAFCO Budget,
2. After receiving public comments close the hearing,
3. After Commission discussion, adopt the FY 2020-21 Final Budget – *Option 2*, with any desired changes, and authorize staff to distribute the Final Budget to the County, cities and independent special districts as required by Government Code Section 56381.

Respectfully submitted,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 - Final FY 2020-21 LAFCO Budget – Option 1
Attachment 2 - Final FY 2020-21 LAFCO Budget – Option 2

c: Distribution

Attachment 1

FINAL FY 2020-21 LAFCO BUDGET
Option 1

	FY 2019-20 Approved	FY 2019-20 Year-end (Estimated)	FY 2020-21 Proposed	
Salaries and Employee Benefits				
Permanent Salaries– 1011	$ 286,575	$ 205,587	$ 248,000	
Temporary Pay - 1013		$ 8,000	$ -	
Deferred Comp Cty Contribution - 1015	$ 1,105	$ 1,105	$ 1,615	
FICA- 1042	$ 21,923	$ 16,339	$ 18,972	
Retirement expense- 1044	$ 117,971	$ 76,008	$ 97,120	
Employee Group Insurance- 1060	$ 73,039	$ 34,251	$ 56,000	
Retiree Health Insurance- 1061	$ 28,406	$ 28,500	$ 30,000	
Unemployment Insurance- 1063	$ 143	$ 129	$ 150	
Workers Comp Insurance- 1070	$ 1,273	$ 1,113	$ 1,115	
Total Salaries and Benefits	**$ 530,435**	**$ 371,032**	**$ 452,972**	**-17%**
Services and Supplies				
Office Expense- 2100	$ 5,000	$ 3,000	$ 4,000	
Publications -2102	$ 25	$ 21	$ 25	
Postage -2103	$ 1,800	$ 518	$ 1,800	
Communications - 2110	$ 1,334	$ 1,334	$ 2,842	
Tele Exchange Services 2111	$ 3,120	$ 3,000	$ 2,382	
Minor Furniture/Equipment - 2131	$ 2,000	$ 18,578	$ -	
Minor Comp Equipment - 2132	$ 1,800	$ -	$ 2,000	
Pubs & Legal Notices 2190	$ 3,800	$ 769	$ 3,800	
Memberships - 2200	$ 12,036	$ 12,022	$ 12,373	
Rents & Leases - 2250 (copier)	$ 5,500	$ 5,578	$ 5,600	
Computer Software - 2251	$ 612	$ 956	$ 1,000	
Bldg Occupancy Costs - 2262	$ 24,569	$ 24,569	$ 24,569	
Bldg Life Cycle Costs - 2265	$ 1,463	$ 1,235	$ 1,095	
Bldg Maintennace - 2284	$ 500	$ 1,280	$ 500	
Auto Mileage Emp. – 2301	$ 500	$ 252	$ 500	
Other Travel Employees – 2303	$ 17,370	$ 9,869	$ 13,000	
Prof & Spec Services – 2310	*$ 237,153*	*$ 130,185*	*$ 255,113*	
Assessor	$ 8,500	$ 5,337	$ 8,000	
Financial Audit	$ 8,700	$ 9,243	$ 8,700	
GIS/Mapping	$ 12,000	$ 5,244	$ 12,000	
Legal	$ 60,000	$ 20,677	$ 60,000	
MSRs	$ 130,000	$ 70,668	$ 130,000	
Planning	$ 11,000	$ 9,683	$ 25,000	
Special Projects (document imaging)	$ 5,213	$ 5,213	$ 3,673	
Misc Investment Services/CCCERA Fees	$ 240	$ 120	$ 240	
Special Studies/Workshop/Actuarial Valuation	$ -	$ 4,000	$ 7,500	
Moving Service	$ 1,500	$ -	$ -	
Contracted Temp Help - 2314 (Web)	$ 3,060	$ 2,970	$ 3,060	
Data Processing Services - 2315	$ 19,582	$ 16,977	$ 19,700	
Data Processing Security - 2326	$ 210	$ 172	$ 250	
Courier - 2331	$ 1,678	$ 850	$ 1,000	
Telcomm Rents, Leases, Labor - 2335		$ 108	$ 120	
Other Inter-Dept Costs - 2340	$ 564	$ -	$ 599	
Liability/E&O Insurance - 2360	$ 5,682	$ 5,302	$ 6,854	
Commission Training/Registration/Stipends - 2467	$ 30,000	$ 27,916	$ 31,000	
NOD/NOE Filings - 2490	$ 700	$ 600	$ 800	
Total Services & Supplies	**$ 380,058**	**$ 268,061**	**$ 393,982**	**4%**
Fixed Assets				
Office Equipment & Furniture - 4951	$ 20,000	$ -	$ -	
Total Fixed Assets	**$ 20,000**	**$ -**	**$ -**	
Total Expenditures	**$ 930,493**	**$ 639,093**	**$ 846,954**	**-10%**
Contingency Reserve	$ 80,000	$ -	$ 100,000	
OPEB Trust	$ 40,000	$ 40,000	$ 40,000	
CCCERA Pre-Fund	$ 30,000	$ 30,000	$ 30,000	
TOTAL APPROPRIATIONS	**$ 1,080,493**	**$ 709,093**	**$ 1,016,954**	**-6%**
TOTAL REVENUES	**$ 1,080,493**	**$ 935,053**	**$ 1,016,954**	
Agency contributions - 9500 & 9800	$ 885,493	$ 885,493	$ 816,954	**-8%**
Application & other revenues	$ 25,000	$ 49,560	$ 25,000	
Fund Balance	$ 170,000		$ 175,000	

FINAL FY 2020-21 LAFCO BUDGET Attachment 2

Option 2

	FY 2019-20 Approved	FY 2019-20 Year-end (Estimated)	FY 2020-21 Proposed	
Salaries and Employee Benefits				
Permanent Salaries– 1011	$ 286,575	$ 205,587	$ 208,000	
Temporary Pay - 1013		$ 8,000	$ -	
Deferred Comp Cty Contribution - 1015	$ 1,105	$ 1,105	$ 1,615	
FICA- 1042	$ 21,923	$ 16,339	$ 18,000	
Retirement expense- 1044	$ 117,971	$ 76,008	$ 82,120	
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Minor Comp Equipment - 2132	$ 1,800	$ -	$ 2,000	
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Bldg Life Cycle Costs - 2265	$ 1,463	$ 1,235	$ 1,095	
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Prof & Spec Services – 2310	*$ 237,153*	*$ 130,185*	*$ 300,113*	
Assessor	$ 8,500	$ 5,337	$ 8,000	
Financial Audit	$ 8,700	$ 9,243	$ 8,700	
GIS/Mapping	$ 12,000	$ 5,244	$ 12,000	
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Special Projects (document imaging)	$ 5,213	$ 5,213	$ 3,673	
Misc Investment Services/CCCERA Fees	$ 240	$ 120	$ 240	
Special Studies/Workshop/Actuarial Valuation	$ -	$ 4,000	$ 32,500	
Moving Service	$ 1,500	$ -	$ -	
Contracted Temp Help - 2314 (Web)	$ 3,060	$ 2,970	$ 3,060	
Data Processing Services - 2315	$ 19,582	$ 16,977	$ 19,700	
Data Processing Security - 2326	$ 210	$ 172	$ 250	
Courier - 2331	$ 1,678	$ 850	$ 1,000	
Telcomm Rents, Leases, Labor - 2335		$ 108	$ 120	
Other Inter-Dept Costs - 2340	$ 564	$ -	$ 599	
Liability/E&O Insurance - 2360	$ 5,682	$ 5,302	$ 6,854	
Commission Training/Registration/Stipends - 2467	$ 30,000	$ 27,916	$ 31,000	
NOD/NOE Filings - 2490	$ 700	$ 600	$ 800	
Total Services & Supplies	**$ 380,058**	**$ 268,061**	**$ 437,882**	**13%**
Fixed Assets				
Office Equipment & Furniture - 4951	$ 20,000	$ -	$ -	
Total Fixed Assets	**$ 20,000**	**$ -**	**$ -**	
Total Expenditures	**$ 930,493**	**$ 639,093**	**$ 824,882**	**-13%**
Contingency Reserve	$ 80,000	$ -	$ 100,000	
OPEB Trust	$ 40,000	$ 40,000	$ 40,000	
CCCERA Pre-Fund	$ 30,000	$ 30,000	$ 30,000	
TOTAL APPROPRIATIONS	**$ 1,080,493**	**$ 709,093**	**$ 994,882**	**-9%**
TOTAL REVENUES	**$ 1,080,493**	**$ 935,053**	**$ 994,882**	
Agency contributions - 9500 & 9800	$ 885,493	$ 885,493	$ 794,882	**-11%**
Application & other revenues	$ 25,000	$ 49,560	$ 25,000	
Fund Balance	$ 170,000		$ 175,000	

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Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 9

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Requests for Proposals – Environmental Planning Services

Dear Commissioners:

DISCUSSION

The Proposed FY 2020-21 LAFCO Budget includes funding for professional services including legal, auditing, GIS/mapping, website maintenance, municipal services reviews (MSRs)/special studies and environmental planning support. These services are provided through various service contracts and afford maximum staffing and budgetary flexibility.

One of the contract services provided to LAFCO is environmental planning. Since 2008, Contra Costa LAFCO has retained Lamphier-Gregory for "as-needed" environmental planning services. Under the contract, Nat Taylor, Senior Planner, supports LAFCO as follows:

- Reviews and provides comments on LAFCO applications and projects
- Reviews and provides comments on environmental documents prepared by outside agencies
- Assists with preparing environmental documents for LAFCO projects
- Assists with development of new, and reviews existing, LAFCO policies and procedures
- Attends LAFCO hearings, meetings with applicants, and other meetings as needed

Recently, Nat Taylor informed Contra Costa LAFCO of an anticipated change in his position effective in FY 2020-21, and that he will no longer be able to provide environmental planning services to Contra Costa LAFCO. Nat also indicated that Lamphier-Gregory has other planning staff that could serve Contra Costa LAFCO. The firm has provided services to Contra Costa LAFCO since 2008 and is familiar with LAFCO and with projects and issues in Contra Costa County.

The last time Contra Costa LAFCO issued a Request for Proposals (RFP) for environmental planning services was in 2011. At that time, LAFCO conducted interviews with four environmental planning firms using an outside panel of LAFCO professionals. Following the interviews, the Commission awarded the contract to Lamphier-Gregory. Since 2011, LAFCO has renewed the contract with Lamphier-Gregory annually. While the services provided by Lamphier-Gregory are exceptional; it is appropriate to re-bid contracts periodically. Issuing an RFP is no reflection on the current service provider.

Request for Proposals (RFP), Scope of Services, Selection Process and Timeline – Should the Commission choose to re-bid the contract, LAFCO staff has prepared a draft RFP (Attachment 1) for the Commission's consideration.

The RFP calls for an experienced municipal planning consultant to provide environmental review and planning support services to the Commission and to LAFCO staff on a continuing and as-needed basis. Under the direction of the LAFCO Executive Officer, the consultant will perform complex and specialized environmental planning work, and provide professional planning support as needed, in conjunction with a range of LAFCO projects and programs, including reviewing/analyzing applications, proposals and various environmental documents; assisting in the review of MSRs and corresponding spheres of influence (SOIs) updates, and attending Commission and other meetings as requested.

LAFCO staff has compiled a list of potential bidders. The RFP will be circulated to these firms. In addition, the RFP will be posted on the Contra Costa LAFCO, CALAFCO, and California Special Districts Association websites.

The proposed selection process includes a review of the written proposals using criteria outlined in the RFP (i.e., experience and qualifications, understanding of the required tasks, proposed approach to planning services, experience and familiarity with LAFCO, qualifications and accomplishments of personnel assigned to work with the Contra Costa LAFCO, cost, etc.).

A selection committee comprised of LAFCO and/or planning professionals may be used to help review and screen the written proposals, conduct interviews, and make recommendations in accordance with the timeline below.

DATE	TASK
June 12, 2020	Issue RFP
July 16, 2020	Proposals Due
July 20-24, 2020	Review of Proposals by Selection Committee
July 27-31, 2020	Interviews of Selected Proposers
August 12, 2020	Recommendation presented to LAFCO Commissioners; award of contract by LAFCO
September 1, 2020	Consultant Begins Work

FINANCING

Adequate funding is included in the LAFCO budget to cover costs associated with environmental planning services.

RECOMMENDATIONS

Provide input; authorize circulation of the RFP for environmental planning services; and direct staff to return to the Commission with a recommended contract award in accordance with the timeline.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attached - Draft RFP – Environmental Planning Services

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

REQUEST FOR PROPOSALS
LAFCO ENVIRONMENTAL PLANNING SERVICES

OBJECTIVE

The Contra Costa Local Agency Formation Commission (LAFCO) seeks proposals from an experienced land use and environmental planning consultant to provide services to the LAFCO Executive Officer and Commission on an as-needed basis.

Under direction of the LAFCO Executive Officer, the consultant will perform specialized and complex environmental planning work relating to LAFCO projects and programs, including, but not limited to, reviewing and analyzing LAFCO applications and related environmental documents; providing planning support and technical assistance with the State mandated sphere of influence (SOI) updates and corresponding municipal service reviews (MSRs); attending LAFCO and other meetings as requested; and providing other professional environmental planning support as needed. The contract for planning services is anticipated to be a multi-year contract.

ABOUT CONTRA COSTA COUNTY

Contra Costa County is adjacent to Alameda, San Joaquin, Sacramento, and Solano counties. Contra Costa County covers a total of 805 square miles, of which approximately 732 square miles is land. The County contains a diverse social and physical environment, with many urban and suburban areas in the western and central areas, and agricultural areas in the eastern region.

The County is composed of three distinct areas: West County, Central County and East County. There are 19 cities and 77 special districts (dependent and independent). The County's population exceeds one million, representing the ninth largest county in the State. Approximately 16% of Contra Costa County residents live in the unincorporated areas.

Urban growth is occurring primarily in the East County (Antioch, Brentwood, Oakley, and Pittsburg). Various measures in place link growth management to transportation funding. Land use and municipal service issues are central to growth decisions being made by public agencies, including, but not limited to, the following:

- *Transportation*
- *Housing, including affordable housing*
- *Fiscal Viability*
- *Infrastructure, including the availability of water*
- *Preservation of Open Space/Agricultural Lands*

ABOUT LAFCO

LAFCOs were created by the State legislature in 1963 to regulate city and special district boundaries, to discourage urban sprawl, preserve agricultural and open space lands, and encourage orderly governmental boundaries. There is a LAFCO in each county in California. LAFCOs are empowered to amend SOIs and boundaries of cities and special districts, and approve/deny local government changes of organizations, such as incorporations, consolidations, dissolutions, and mergers.

The Contra Costa LAFCO consists of seven voting members: two city council members selected by the City Selection Committee, two county supervisors selected by the Board of Supervisors, two special district board members selected by the Independent Special District Selection Committee, and a public member selected by the other LAFCO members. There is also one alternate member in each of the four categories (i.e., city, county, special district, public).

LAFCO is a public agency and typically meets monthly at a public meeting. As an independent agency, LAFCO does not report to any State, city, or county agency, nor can its decisions be appealed to other administrative agencies.

LAFCO staff currently includes an Executive Officer and an Executive Assistant/LAFCO Clerk. In addition, various services including auditing, financial, GIS/mapping, environmental planning, legal, information technology, and website maintenance are provided by other public and private agencies.

LAFCO considers a variety of applications including jurisdictional boundary changes, SOI amendments, out of agency service requests, changes of organization and reorganizations (e.g., district dissolutions/consolidations/formations, city incorporations, subsidiary districts, etc.). LAFCO also has the authority to initiate certain types of applications.

In the past 12 months, Contra Costa LAFCO received the following applications:

- two SOI amendments
- one boundary reorganization
- two annexations
- seven requests for out of agency service

LAFCO application activity is steady.

In addition to reviewing applications, LAFCO also reviews, and if appropriate, comments on environmental documents prepared by other public agencies (e.g., Agency Comment Requests, Notices of Preparation relating to Negative Declarations, Environmental Impact Reports, etc.). In the past 12 months, LAFCO staff commented on 10 environmental documents (i.e., county, city).

Another state mandated responsibility of LAFCO is to periodically update SOIs and prepare corresponding MSRs. Contra Costa LAFCO completed its 1st round of MSRs and is continuing its work on 2nd round MSRs. In June 2019, LAFCO completed a 2nd round MSR/SOI updates covering all 19 cities and four community services districts (CSDs). In December 2019, LAFCO initiated its 2nd round MSR covering parks & recreation services including all 19 cities, four CSDs, eight county service areas, three parks & recreation districts and one regional park district. Most Contra Costa LAFCO MSRs are prepared by outside consultants. All MSRs can be found online at http://contracostalafco.org/agencies/municipal-service-reviews/.

PROFESSIONAL ENVIRONMENTAL PLANNING SERVICES

Historically, Contra Costa LAFCO has used contract planning/environmental services to assist with the following activities:

- Review, analyze and advise on LAFCO applications and related land use and environmental planning matters
- Review and comment on environmental documents received by LAFCO from local agencies
- Assist in reviewing and updating LAFCO policies and procedures related to environmental planning
- Provide planning support and technical assistance with MSRs and SOI updates
- Attend LAFCO and other meetings as needed

PROPOSAL REQUIREMENTS

Responses to this RFP must include the following:

1. Statement of the firm's history and proficiencies including the following:
   - *Qualifications for providing environmental planning services to municipal agencies and LAFCOs*
   - *Knowledge of relevant planning laws and regulations including the California Environmental Quality Act, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California General Plan Guidelines, and other applicable statutes*
   - *Familiarity with the public hearing process*
   - *Availability of all professionals who will be involved in providing services to Contra Costa LAFCO*
2. Description of the firm's approach in providing environmental planning consulting services, including main tasks and assignments to be performed during the term of the agreement.
3. If responding as a firm, identification of the lead professional and other team members including subcontractors, if any, that will be assigned to this contract. Specify the approximate proportion of the contracted work each team member will perform. If the proposal involves subcontractors, please identify and describe their related experience and proportionate share of the work.
4. Resumes of the principal and other professionals who will be involved in the work, including any subcontractors.
5. Hourly rates for each person who will be involved in the services to LAFCO including any subcontractors. Also identify other costs (e.g., reimbursable expenses, etc.), along with any potential cost adjustments based on changes in service requirements.
6. List of current clients (public and private), including a contact person, contact information, and length of association.
7. Disclosure of potential conflicts of interest with local agencies in Contra Costa County, including current clients.
8. Any other relevant information.

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

SUBMITTAL REQUIREMENTS

A. **One reproducible copy and one electronic copy in Adobe PDF format (emailed or disc) of the proposal shall be received no later than 4:00 p.m., on Thursday, July 16, 2020, at the Contra Costa LAFCO office located at 40 Muir Road, First Floor, Martinez, CA 94553 Attn: LAFCO Executive Officer. Proposals received after the deadline may not be considered.**

B. Each proposal shall be submitted in a sealed envelope that is clearly marked with the title of the RFP.

C. All proposals will become property of the Contra Costa LAFCO.

D. Cost of preparation of proposals shall be borne by the proposers.

E. Proposals shall be signed by an authorized employee or officer to receive consideration.

F. Contra Costa LAFCO is not responsible for proposals delivered to a person/location other than that specified herein.

G. LAFCO reserves the right to reject any and all proposals.

SELECTION PROCESS

The selection process will involve a review of the written proposals. Proposals will be evaluated based on the criteria above, including experience and qualifications, understanding of the required tasks, proposed approach to planning services, experience and familiarity with LAFCO, qualifications and accomplishments of personnel assigned to work with the Contra Costa LAFCO, and cost.

Depending on number of proposals received, and the current circumstances related to COVID-19, a selection committee comprised of LAFCO and/or planning professionals may be used to help review and screen the written proposals, conduct interviews, and make recommendations. Following the screening process, a summary of proposals and an award recommendation will be presented to the Commission in accordance with the proposed timeline as shown below.

DATE	TASK
June 12, 2020	**Issue RFP**
July 16, 2020	**Proposals Due**
July 20-24, 2020	**Review of Proposals by Selection Committee**
July 27-31, 2020	**Interviews of Selected Proposers**
August 12, 2020	**Recommendation presented to LAFCO Commissioners; award of contract by LAFCO**
September 1, 2020	**Consultant Begins Work**

CONTACT PERSON

Please direct all inquiries regarding the RFP process or proposal submission to:

Lou Ann Texeira, Executive Officer
Contra Costa LAFCO
40 Muir Road, First Floor
Martinez, CA 94553
(925) 313-7133
LouAnn.Texeira@lafco.cccounty.us

For more information about Contra Costa LAFCO, please visit our website at http://contracostalafco.org/.

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 10

June 10, 2020 (Agenda)

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

Proposed Update to Contra Costa LAFCO's Legislative Platform

Dear Members of the Commission:

Contra Costa LAFCO is a member of the California Association of Local Agency Formation Commissions (CALAFCO) which assists its member LAFCOs with educational, technical, and legislative resources.

The CALAFCO Board has Legislative Policies that are comprehensive and cover a range of issues including *LAFCO Purpose and Authority*, *LAFCO Organization*, *Agricultural and Open Space Protection*, *Orderly Growth*, *Service Delivery*, *Local Agency Effectiveness* and *Legislative Priorities*. CALAFCO's Legislative Policies support legislation that enhances LAFCO's authority to carry out the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 based on local conditions.

CALAFCO's Legislative Policies also serve as a guide for its Legislative Committee, comprised of CALAFCO Board members and LAFCO staff from around the State. Commissioner McGill currently serves as a member of the CALAFCO Legislative Committee, which acts on behalf of the CALAFCO Board in developing and taking positions on legislation based on the Board's legislative policies and priorities.

The CALAFCO Legislative Committee conducts an annual review of the CALAFCO Legislative Policies and makes recommendations to the Board regarding policy modifications. Subsequently, the CALAFCO Board reviews and amends its legislative policies as proposed by the CALAFCO Legislative Committee.

At their December 13, 2019 meeting, the CALAFCO Board added policy 4.6 (*Orderly Growth* section) as recommended by the Legislative Committee. The new policy recognizes potential fire events (and other catastrophic natural events related to climate such as flood, drought, etc.) when considering growth and service delivery issues (attached).

Contra Costa LAFCO has adopted the CALAFCO Legislative Policies as its own legislative platform. In conjunction with the recent updates to the CALAFCO Legislative Policies, it is timely that Contra Costa LAFCO adopt the updated legislative platform.

RECOMMENDATION: The Contra Costa LAFCO Policies & Procedures Committee recommends that the Commission adopt the updated CALAFCO Legislative Policies as the Commission's legislative platform.

Respectfully submitted,
Don Blubaugh and Chuck Lewis

Attachment – CALAFCO's Legislative Policies with Amendments

Attachment

CALAFCO ~~2019~~ *2020* Legislative Policies

As adopted by the Board of Directors on ~~7 December, 2018~~ December 13, 2019

1. LAFCo Purpose and Authority

1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq. and oppose legislation which diminishes LAFCo authority.

1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.

1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.

1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.

1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.

1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

2.1. Support the independence of LAFCo from local agencies.

2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.

2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

3.1. Support legislation which clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.

3.2. Encourage a consistent definition of agricultural and open space lands.

3.3. Support policies which encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands.

3.4. Support policies and tools which protect all types of agricultural lands, including prime agricultural lands and open space lands.

3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural and open space lands.

4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues, prior to application to LAFCo.

4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

4.6. Support the recognition of extreme fire events and disaster preparedness when considering growth and service delivery issues.

5. Service Delivery and Local Agency Effectiveness

5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCos and regional planning agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

5.5. Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

~~2019~~ 2020 Legislative Priorities

Primary Issues

Authority of LAFCo

- Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.
- Support.legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, as well as to enact recommendations related to the delivery of services and the agencies providing them, including changes of organization and reorganizations.

Agriculture and ·Open Space Protection

- Support policies, programs and legislation that recognize LAFCo's mission to protect and mitigate the loss of all types of agricultural lands, including prime agricultural lands and open space lands and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.
- Support efforts that encourage the creation of habitat conservation plans.

Water Availability

- Support policies, programs and legislation that promote an integrated approach to water availability and management.
- Promote adequate water supplies and infrastructure planning for current and planned growth as well as to support the sustainability of all types of agricultural lands, including prime agricultural lands and open space lands.
- Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

Viability of Local Services

- Support legislation that maintains or enhances LAFCo's ability to review and act to determine the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. including those identified in regional planning efforts such as sustainable communities strategies.
- Support legislation which provides LAFCo and local communities with options for ·local governance and service delivery to ensure efficient, effective, and quality service delivery.
- Support efforts which provide tools to local agencies to address aging infrastructure, fiscal challenges, the maintenance of services, and services to disadvantaged communities.

Issues of Interest

Housing

- Provision of territory and services to support housing plans consistent with regional land use plans and local LAFCo policies.

Transportation

- Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control

- The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure.
- Carefully consider the value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas of uninhabited territory which is at risk for flooding.
- Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair and maintenance.
- Support efforts that encourage the creation of habitat conservation plans.

Adequate Municipal Services in Inhabited Territory

- Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable.
- To promote environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services, including options for annexation of contiguous disadvantaged unincorporated communities.
- Support policies, programs, and legislation which would provide municipal services to disadvantaged communities.
- Promote the delivery of adequate, sustainable, efficient, and effective levels of service through periodic updates of Municipal Service reviews, Spheres of Influence, and other studies.

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 11

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Request for Extension of Time – Chang Property Boundary Reorganization

Dear Members of the Commission:

On August 8, 2018, the Commission approved the *Chang Property Reorganization – Annexations to the City of San Ramon, Central Contra Costa Sanitary District (CCCSD)and East Bay Municipal Utility District (EBMUD) and Corresponding Detachment from County Service Area (CSA) P-6*. The proposal includes annexation of 63.5± acres to the City of San Ramon, CCCSD and EBMUD and corresponding detachment from CSA P-6. The area is located at the intersection of Bollinger Canyon Road and Crow Canyon Road in unincorporated San Ramon. The proposal will extend city, wastewater, and water services to facilitate the development of 43 single-family large lot homes, 18 accessory dwelling units and related facilities on the Chang property.

One of LAFCO's conditions of approval is that *the property owner provide LAFCO with a certified copy of a recorded grant of open space easement from the Chang property owner(s) to the City of San Ramon and/or other public agency or land trust that prohibits urban development and permanently preserves the existing open space and agricultural uses on 134± acres that are outside of the urban growth boundary and designated for open space and agricultural uses. Further, that the easement remains in effect in perpetuity, and that is consistent with the conditions of approval in accordance with the Vesting Tentative Map 9485.*

In accordance with Government Code §57001, if a Certificate of Completion is not filed within one year after the Commission approves a proposal, the proceeding shall be deemed abandoned unless prior to the expiration of that year the Commission authorizes an extension of time to complete the proceedings.

In June 2019, the landowner submitted a request for an extension of time, indicating that more time was needed to coordinate timing of the open space easement with the City of San Ramon and the resource agencies. The landowner requested a 12-month time extension.

In July 2019, the Commission approved an extension of time to file the Certificate of Completion to July 9, 2020, as requested by the landowner.

On May 21, 2020, the landowner submitted a second request for a 12 month extension, indicating that they are continuing to work on the open space easement with the resource agencies, and the recent uncertain social, economic situation has caused delays.

RECOMMENDATION: It is recommended that the Commission approve an extension of time to file the Certificate of Completion to July 9, 2021, as requested by the landowner in order to coordinate timing of the open space easement with the City of San Ramon and the resource agencies.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Letter from Vicky Chang, Landowner

c: Vicky Chang, Hsientein Project Investment, LLC
Cindy Yee, City of San Ramon
Russell Leavitt, CCCSD
Jack Flynn, EBMUD

Attachment

May 21, 2020

To:
Lou Ann Texeira
Executive Officer
Contra Costa Local Agency Formation Commission
651 Pine Street, 6th Floor
Martinez, CA 94553

From:
Vicky Chang (Property Owner)
Hsientein Project Investment, LLC
451 W. Le Roy
Arcadia, CA 91007

Re: Resolution No. 18-06 - Request of Extension

Dear Lou Ann,

I am writing to request a twelve (12) months extension for the Resolution No. 18-06 from the expiration date July 9, 2020 to July 9, 2021. The request for extension is due to trying to work out the open space easement with the resource agencies, and the recent uncertain social, economic situation.

Sincerely,

Vicky Chang
Hsientein Project Investment, LLC

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

June 10, 2020
Agenda Item 12

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Request to Transfer Principal County Responsibility from Alameda LAFCO to Contra Costa LAFCO – Meineke Annexation

Dear Members of the Commission:

When a change of organization (e.g., annexation) to a multi-county special district is proposed, the Cortese-Knox-Hertzberg Act (CKH) vests exclusive jurisdiction with the commission of the principal county, that is, the commission in the county having the largest portion of assessed value within the subject district.

The CKH (i.e., §§56123, 56124, 56387, 56388) provides a mechanism to transfer jurisdiction over such proposals to a commission other than the commission of the principal county. In order to transfer exclusive jurisdiction over a change of organization, the commission of the principal county must agree to relinquish jurisdiction and designate a specific commission to assume jurisdiction. The commission so designated must agree to assume exclusive jurisdiction.

Alameda and Contra Costa LAFCOs have several special districts which cross county boundary lines. In addition to State laws that govern boundary changes and the transfer of jurisdiction, Alameda and Contra Costa LAFCOs adopted *Procedures for Processing Multi-County Changes of Organization or Reorganization – Alameda and Contra Costa LAFCOs* in 1997. Alameda and Contra Costa LAFCOs have a history of transferring jurisdiction for both boundaries and spheres of influence (SOIs) in accordance with the adopted procedures.

On May 28, 2020, Contra Costa LAFCO received an application for the *Meineke Annexation to East Bay Municipal Utility District (EBMUD).* The project site is 63.4± acres and is located in the unincorporated community of Diablo (Caballo Ranchero Drive). The proposed annexation includes three parcels including a neighboring property which is developed with a single-family residential unit. The applicant intends to build one single-family residential unit.

The adopted Alameda and Contra Costa LAFCO procedures provide for an initial review and consultation by the LAFCO Executive Officers. The Executive Officers have consulted and conclude that transferring jurisdiction for this proposal would greatly simplify processing.

RECOMMENDATION – It is recommended that Contra Costa LAFCO agree to assume exclusive jurisdiction for this proposal, and authorize LAFCO staff to send a letter (Attachment 2) to Alameda LAFCO requesting a transfer of jurisdiction in conjunction with this proposal.

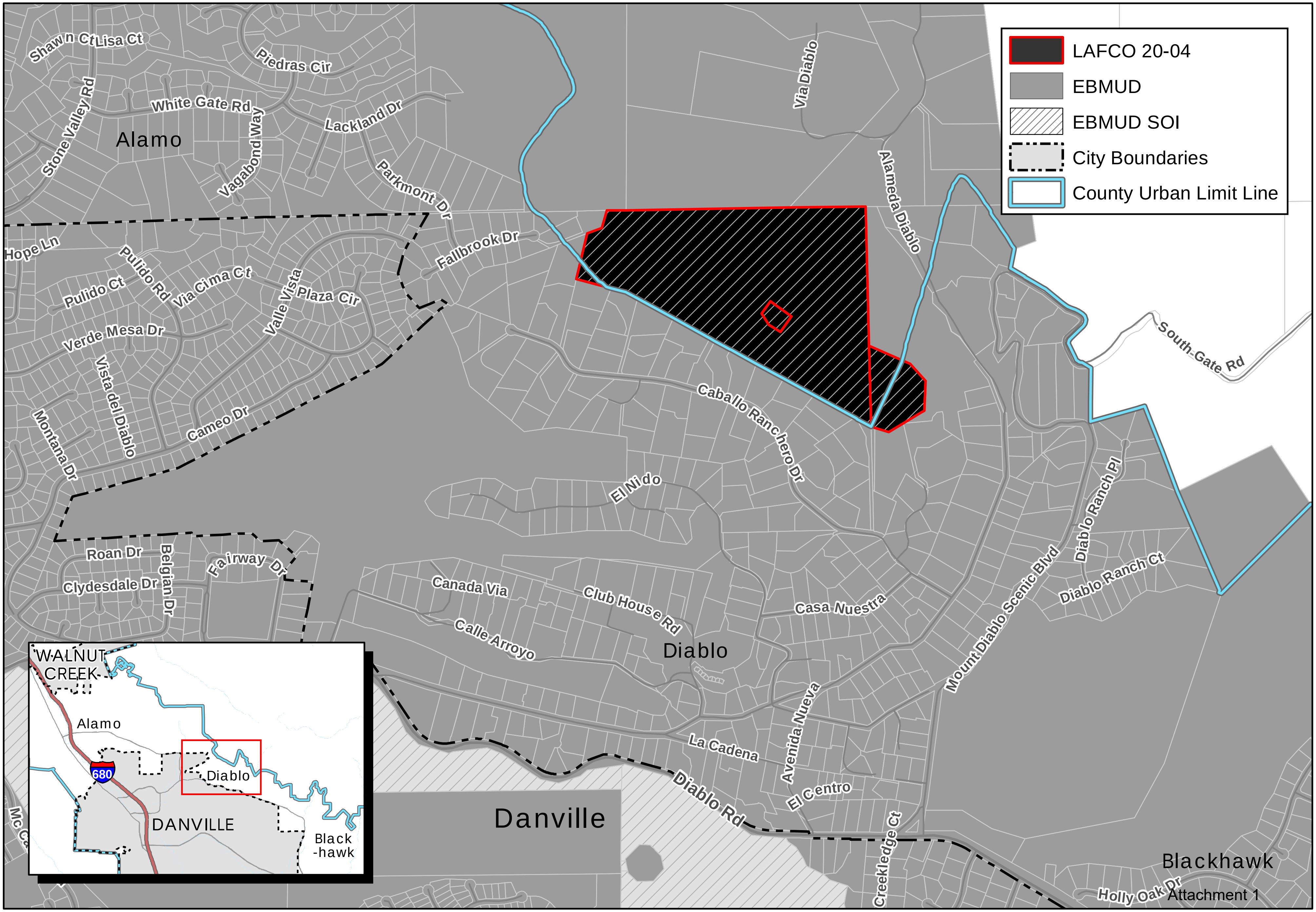
Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – Project Site Map
Attachment 2 - Draft Letter to Alameda LAFCO Requesting Transfer of Jurisdiction

c: Rachel Jones, Executive Officer, Alameda LAFCO
Jack Flynn, EBMUD
Russ Leavitt, CCCSD
Michelle and Ryan Meineke, Landowners

LAFCO No.20-04 Meineke Trust Annexation to EBMUD



Feet

0 1,000 2,000 4,000

Map created 06/01/2020
by Contra Costa County Department of
Conservation and Development, GIS Group
30 Muir Road, Martinez, CA 94553
37:59:41.791N 122:07:03.756W

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

Lou Ann Texeira
Executive Officer

June 10, 2020

Rachel Jones, Executive Officer
Alameda LAFCO
224 West Winton, Suite 110
Hayward, California 94544

Dear Ms. Jones:

Contra Costa LAFCO received a proposal involving annexation of 63.4± acres to the East Bay Municipal Utility District (EBMUD) – Assessor Parcel Numbers 195-330-003 / -004 and 195-320-007.

The Meineke project site is located in unincorporated Diablo (Caballo Ranchero Drive) as shown on the attached map. As noted in the staff report, one of the properties contains a single-family residential unit and the other property is vacant. The applicant proposes to build one single-family residential unit on the vacant property.

Since Alameda is the principal county for EBMUD, this is a formal request, pursuant to Government Code §§56387 and 56388 and our *Procedures for Processing Multi-County Changes of Organization or Reorganization – Alameda and Contra Costa LAFCOs*, that Alameda LAFCO grant exclusive jurisdiction to Contra Costa LAFCO for the boundary change. This request for transfer of jurisdiction was approved by Contra Costa LAFCO on June 10, 2020 at which time the Commission agreed to assume exclusive jurisdiction for the proposed boundary change subject to Alameda LAFCO's approval of a transfer of jurisdiction.

We have enclosed a check for the transfer of jurisdiction, and respectfully request that this matter be placed on your July 9, 2020 LAFCO agenda for consideration. Please contact me if you have any questions. Thank you for your assistance.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment - Map

c: Michelle and Ryan Meineke, Landowners
Jack Flynn, EBMUD

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
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e-mail: LouAnn.Texeira@lafco.cccounty.us
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Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 13

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Request to Transfer Principal County Responsibility from Alameda LAFCO to Contra Costa LAFCO – Magee Preserve Boundary Reorganization

Dear Members of the Commission:

When a change of organization (e.g., annexation) to a multi-county special district is proposed, the Cortese-Knox-Hertzberg Act (CKH) vests exclusive jurisdiction with the commission of the principal county, that is, the commission in the county having the largest portion of assessed value within the subject district.

The CKH (i.e., §§56123, 56124, 56387, 56388) provides a mechanism to transfer jurisdiction over such proposals to a commission other than the commission of the principal county. In order to transfer exclusive jurisdiction over a change of organization, the commission of the principal county must agree to relinquish jurisdiction and designate a specific commission to assume jurisdiction. The commission so designated must agree to assume exclusive jurisdiction.

Alameda and Contra Costa LAFCOs have several special districts which cross county boundary lines. In addition to State laws that govern boundary changes and the transfer of jurisdiction, Alameda and Contra Costa LAFCOs adopted *Procedures for Processing Multi-County Changes of Organization or Reorganization – Alameda and Contra Costa LAFCOs* in 1997. Alameda and Contra Costa LAFCOs have a history of transferring jurisdiction for both boundaries and spheres of influence (SOIs) in accordance with the adopted procedures.

On May 26, 2020, Contra Costa LAFCO received a resubmittal application for the *Magee Preserve Boundary Reorganization: Annexations to Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD).* The application was originally submitted in 2014; however, due to a legal challenge related to the bicycle safety element of the Town of Danville's Environmental Impact Report, the LAFCO process was halted. Subsequently, a new developer – Davidon – assumed the project and the Town of Danville adopted a new EIR. The project was then submitted to the voters on March 3, 2020 and was approved (54% YES, 46% NO).

The project site is 410± acres, located in Town of Danville on the south side of Diablo Road and Blackhawk Road (Attachment 1). The developer proposes to subdivide the property into 69 single family lots on 30 acres. In accordance with the Town's affordable housing ordinance, a minimum of 10% of the homes will include second dwelling units. The remaining 380 acres will be preserved as permanent open space.

The adopted Alameda and Contra Costa LAFCO procedures provide for an initial review and consultation by the LAFCO Executive Officers. The Executive Officers have consulted and conclude that transferring jurisdiction for this proposal would greatly simplify processing.

RECOMMENDATION – It is recommended that Contra Costa LAFCO agree to assume exclusive jurisdiction for this proposal, and authorize LAFCO staff to send a letter (Attachment 2) to Alameda LAFCO requesting a transfer of jurisdiction in conjunction with this proposal.

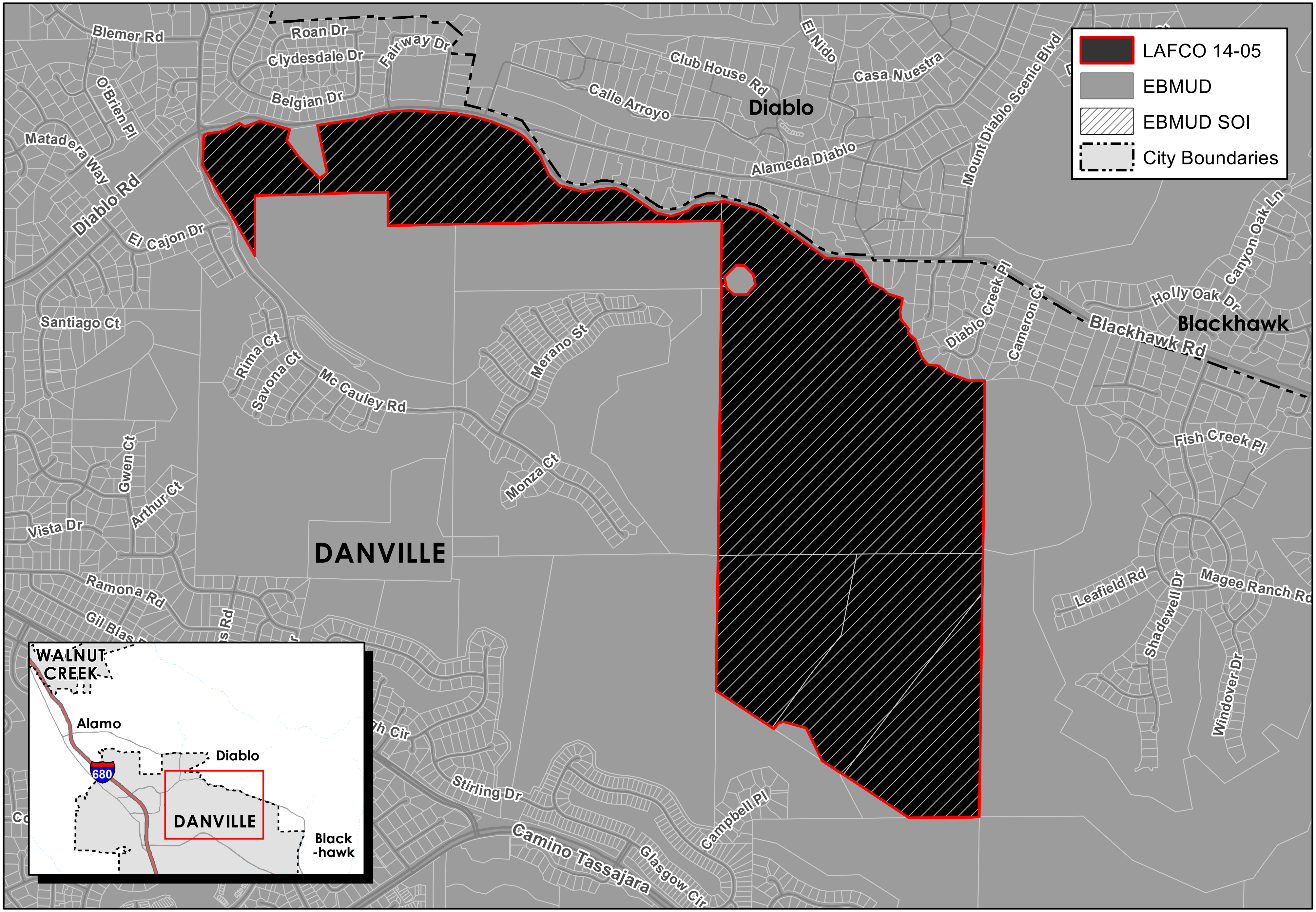
Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – Project Site Map
Attachment 2 - Draft Letter to Alameda LAFCO Requesting Transfer of Jurisdiction

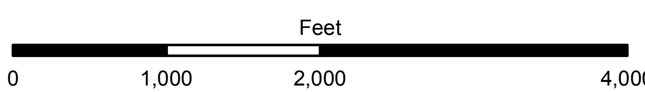
c: Rachel Jones, Executive Officer, Alameda LAFCO
Jack Flynn, EBMUD
Russ Leavitt, CCCSD
Steve Abbs, Davidon Homes

LAFCO No. 14-05: Annexation 186 Magee Ranch/Summerhill to East Bay Municipal Utilities District



Map created 06/01/2020
by Contra Costa County Department of
Conservation and Development, GIS Group
30 Muir Road, Martinez, CA 94553
37:59:41.791N 122:07:03.756W

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



Attachment 1

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

June 10, 2020

Rachel Jones, Executive Officer
Alameda LAFCO
224 West Winton, Suite 110
Hayward, California 94544

Dear Ms. Jones:

Contra Costa LAFCO recently received resubmittal of the 2014 *Magee Preserve Boundary Reorganization: Annexations to Central Contra Costa Sanitary District (CCCSD) and to East Bay Municipal Utility District (EBMUD).* The project site consists of 410± acres, 30± acres of which will become a 69-lot single family subdivision; and the remaining 380± acres will be preserved as permanent open space.

The site is located in the Town of Danville on the south side of Diablo Road and Blackhawk Road as shown on the attached map.

Since Alameda is the principal county for EBMUD, this is a formal request, pursuant to Government Code §§56387 and 56388 and our *Procedures for Processing Multi-County Changes of Organization or Reorganization – Alameda and Contra Costa LAFCOs,* that Alameda LAFCO grant exclusive jurisdiction to Contra Costa LAFCO for the boundary change. This request for transfer of jurisdiction was approved by Contra Costa LAFCO on June 10, 2020 at which time the Commission agreed to assume exclusive jurisdiction for the proposed boundary change subject to Alameda LAFCO's approval of a transfer of jurisdiction.

We have enclosed a check for the transfer of jurisdiction, and respectfully request that this matter be placed on your July 9, 2020 LAFCO agenda for consideration. Please contact me if you have any questions. Thank you for your assistance.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment - Map

c: Steve Abbs, Davidon Homes
Russell Leavitt, CCCSD
Jack Flynn, EBMUD

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

Lou Ann Texeira
Executive Officer

June 10, 2020
Agenda Item 14

June 10, 2020

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

Third Quarter Budget Report - Fiscal Year 2019-20

Dear Members of the Commission:

This is the third quarter budget report for FY 2019-20, which compares adopted and actual expenses and revenues for the period July 1, 2019 through March 31, 2020.

The LAFCO operating budget includes the following components: salaries/benefits, services/supplies, a contingency/reserve fund, Other Post-Employment Benefits (OPEB) Trust and retirement pre-funding account. The budget is based on the "bottom line," which allows for variation within line item accounts if the overall balance remains positive. Funds may not be drawn from the contingency/reserve without Commission approval.

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

DISCUSSION

On June 12, 2019, LAFCO adopted its final FY 2019-20 budget with total appropriations of $1,080,493, which includes an $80,000 contingency/reserve fund, a contribution of $40,000 to fund the OPEB liability, and a contribution of $30,000 to pre-fund LAFCO's retirement account with the Contra Costa County Employees' Retirement Association (CCCERA).

With 75% of the fiscal year elapsed, the Commission's third quarter expenditures are $514,317 or 48% of total appropriations. The Commission budgeted $530,435 in *salaries/benefits* for FY 2019-20; at the end of the third quarter, actual expenses total $266,128, or 51% of the budgeted amount. The Commission budgeted $380,058 in *services/supplies*; and at the end of the third quarter, actual expenses total $178,189 or 47%. Both the $40,000 payment toward the OPEB liability and the $30,000 CCCERA liability payment are reflected in the third quarter budget report.

The primary sources of revenues are local agency contributions, application fees, and available fund balance. Total revenues received as of the third quarter are $1,085,387 (including fund balance) or 101% of revenues.

Other sources of revenue include application fees, interest earnings and fund balance. Regarding application fees, FY 2019-20 application activity is lower than FY 2018-19 activity. During the first three quarters of FY 2019-20, LAFCO received six new applications, compared to nine new applications received during the first three quarters of FY 2018-19.

Regarding interest earnings, LAFCO is currently receiving some investment earnings through the OPEB trust account, which remains in that account.

Finally, when available, we budget available fund balance to offset agency contributions. The FY 2019-20 budget includes $170,000 in budgeted fund balance.

A summary of third quarter expenditures and revenues is presented in the table below.

Account	**FY 2019-20 Final Budget**	**Third Quarter Actuals**
Salaries & Benefits	$ 530,435	$ 266,128
Services & Supplies	380,058	178,189
Contingency/Reserve	80,000	0
OPEB Trust	40,000	40,000
CCCERA Pre-Fund	30,000	30,000
Fixed Assets	20,000	0
Total Appropriations	**$1,080,493**	**$ 514,317**
Agency Contributions	$ 885,493	$ 885,493
Application/Other Revenue	25,000	29,894
Interest Earnings	-	-
Fund Balance	170,000	170,000
Total Revenues	**$1,080,493**	**$1,085,387**

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

RECOMMENDATION

It is recommended that the Commission receive the FY 2019-20 third quarter budget report.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
e-mail: LouAnn.Texeira@lafco.cccounty.us
(925) 313-7133

June 10, 2020
Agenda Item 15

June 10, 2020 (Agenda)

Contra Costa Local Agency Formation Commission
40 Muir Road, 1st Floor
Martinez, CA 94553

Actuarial Evaluations – Post-Employment Healthcare Benefits

Dear Members of the Commission:

Contra Costa LAFCO provides post-employment healthcare benefits for its retired employees and their dependents. LAFCO currently funds the employer's share of these benefits for its retirees.

In FY 2011-12, the Commission initiated a plan to fund future benefit costs and minimize future liabilities to LAFCO. The plan includes funding the post-employment healthcare liability. In FY 2011-12, the Commission began funding this liability by including $10,000 per year in the LAFCO budget.

LAFCO's plan also include participation in a trust to hold these funds. In 2014, LAFCO entered into an agreement with Contra Costa County and the Public Agencies Post-Retirement Health Care Plan Trust ("Trust") administered by Public Agency Retirement Services (PARS).

In order to participate in the PARS trust, and comply with federal accounting rules Government Accounting Standard Board Statement 45 (GASB 45), which require LAFCO to disclose any unfunded post-employment benefits in its annual audits, LAFCO must conduct actuarial evaluations. These evaluations calculate the future liability for retiree healthcare and other post-employment benefits and the employer's annual contribution rate.

In 2014, LAFCO entered into an agreement with the California School Boards Association (CSBA) and the actuarial firm of Demsey, Filliger & Associates LLC to prepare an actuarial evaluation. If an employer has less than 100 "plan members" it is eligible to prepare an alternative measurement method (AMM) report in lieu of a full actuarial evaluation. The information contained in the AMM is also used in preparing LAFCO's annual audits and budgets.

In FY 2015-16, following completion of its first actuarial evaluation, the Commission increased its annual funding from $10,000 to $40,000 per year. As of June 30, 2017, LAFCO has accrued $132,546 (including interest earned), which is held in the PARS trust account and reflected in the 2017 AMM report. The recent GASB reports show that LAFCO's prefunding amount is sufficient.

Since March 2014, LAFCO has completed three actuarial evaluations. In response to recent statutory changes, LAFCO is required to prepare the evaluations at least every other year.

Following completion of LAFCO's annual financial audit in December 2019 (FY 2017-18 audit) LAFCO was contacted by the CSBA indicating that LAFCO needed to complete three additional actuarial evaluations as described below.

The ***GASB Statement No. 75 – Supplemental Schedules for the reporting year ending June 30, 2019*** provides supplemental required information for the financial reporting as of June 30, 2019. It reflects a "lookback" measurement date, which means that for the July 1, 2018 to June 30, 2019 reporting period, LAFCO uses a measurement period of July 1, 2017 to June 30, 2018. The report reflects benefit payments made within the measurement period as well as the applicable discount rate, assets, and projected liabilities as of June 30, 2018 (Attachment 1).

The ***GASB 75 Actuarial Valuation as of July 1, 2019*** provides the results of the actuarial valuation as of July 1, 2019. The valuation determines actuarial measurements as of July 1, 2019 and reflects census, medical premiums, and plan provisions as of that date. The valuation results will serve as the basis for the June 30, 2020 and June 30, 2021 financial reporting (Attachment 2).

The ***GASB 75 Supplemental Schedules for the reporting year ending June 30, 2020*** provides supplemental required information for the financial reporting as of June 30, 2020. It reflects a "lookback" measurement date, which means that for the July 1, 2019 to June 30, 2020 reporting period, the Agency uses a measurement period of July 1, 2018 to June 30, 2019. The report reflects benefit payments made within the measurement period as well as the applicable discount rate, assets, and projected liabilities as of June 30, 2019 (Attachment 3).

Overall, LAFCO's long-term rate of return is approximately 4% (conservative) and we are approximately 30% funded – both affirmative indicators.

RECOMMENDATION: Informational report – no action needed.

Sincerely,

LOU ANN TEXEIRA
EXECUTI VE OFFICER

Attachment 1 – *GASB Statement No. 75 – Supplemental Schedules Summary, 6/30/19* – Report Summary
Attachment 2 – *Alternative Measurement Method (AMM)* – Report Summary
Attachment 3 – *GASB Statement No. 75 – Supplemental Schedules Summary, 6/30/20* – Report Summary

cc: Bob Campbell, Contra Costa County Auditor
Lisa Driscoll, Contra Costa County Finance Director
Michael O'Connor, CPA, RIA, R. J. Ricciardi, Inc. - Certified Public Accountants

Attachment 1

GASB Statement No. 75

Supplemental Schedules
for Contra Costa Local Agency Formation Commission

Reporting Period:	*July 1, 2018 to June 30, 2019*
Measurement Period:	*July 1, 2017 to June 30, 2018*
Valuation Date:	*July 1, 2017*

April 24, 2020

Notes to the Financial Statements
For the Year Ended June 30, 2019

Plan Description

Plan administration. The Agency administers a single-employer defined benefit healthcare. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Plan membership. At July 1, 2017, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	2

Contributions. The contribution requirements of Plan members and the Agency are established and amended by the Agency. The required contribution is based on projected pay-as-you-go financing requirements.

Net OPEB Liability

The Agency's Net OPEB Liability was measured as of June 30, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	4.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	5.00 percent for 2018 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	60%	4.4%
U.S. Fixed	40%	1.5%

Discount rate. GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the Agency's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2017	4.00%	3.13%	4.00%
June 30, 2019	June 30, 2018	4.00%	3.62%	4.00%

Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan

GASB 75 Disclosure Information

The components of the net OPEB liability were as follows:

Total OPEB liability	543,894
Plan fiduciary net position	180,911
Net OPEB liability	$362,983

Measurement date	June 30, 2018
Reporting date	June 30, 2019

Covered payroll	$218,320
Net OPEB liability (asset) as a percentage of covered payroll	166.26%
Plan fiduciary net position as a percentage of the total OPEB liability	33.26%

Schedule of Changes in Net OPEB Liability (June 30, 2017 to June 30, 2018)

Total OPEB Liability	
Service Cost	30,249
Interest	20,142
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes of assumptions	0
Benefit payments[1]	(19,910)
Net change in total OPEB liability	30,481
Total OPEB liability – June 30, 2017 (a)	$513,413
Total OPEB liability – June 30, 2018 (b)	$543,894
Plan fiduciary net position	
Contributions – employer[1]	59,910
Net investment income	8,488
Benefit payments[1]	(19,910)
Trustee fees	(123)
Administrative expense	0
Net change in plan fiduciary net position	48,365
Plan fiduciary net position – June 30, 2017 (c)	$132,546
Plan fiduciary net position – June 30, 2018 (d)	$180,911
Net OPEB liability – June 30, 2017 (c) – (a)	$380,867
Net OPEB liability – June 30, 2018 (d) – (b)	$362,983

[1] Amount includes implicit subsidy associated with benefits paid.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	422,486	362,983	313,346

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4.00% decreasing to 4.00%)	Trend Rate (5.00% decreasing to 5.00%)	1% Increase (6.00% decreasing to 6.00%)
Net OPEB liability (asset)	307,128	362,983	429,295

Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan

GASB 75 Disclosure Information

Statement of Fiduciary Net Position

Assets	
Cash, deposits, and cash equivalents	0
Receivables:	
Accrued Income	0
Total receivables	0
Investments:	
Managed account	180,911
Total Investments	180,911
Total Assets	180,911
Liabilities	
Payables	0
Total Liabilities	0
Net position restricted for postemployment benefits other than pensions	$180,911

Measurement date	June 30, 2018
Reporting date	June 30, 2019

Statement of Changes in Fiduciary Net Position

Additions	
Employer contributions[2]	59,910
Investment income:	
Net increase in fair value of investments	8,488
Total additions	68,398
Deductions	
Trustee fees	123
Administrative expense	0
Benefit payments[2]	19,910
Total deductions	20,033
Net increase in net position	48,365
Net position restricted for postemployment benefits other than pensions	
Beginning of year – June 30, 2017	$132,546
End of year – June 30, 2018	$180,911

[2] Includes $18,609 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amounts of $1,301.

Investments

Rate of return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 5.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Annual money-weighted rate of return, net of investment expense	5.20%

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Agency's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience[3,4]	0	0
Changes in assumptions or other inputs[3,4]	0	0
Differences between projected and actual return investments[3,4]	2,815	1,547
Total	$2,815[5]	$1,547

[3] Measured at June 30, 2018;
[4] See Schedule of Deferred Outflows and Inflows of Resources for additional information;
[5] Does not include Agency contributions (plus associated implicit subsidy) made after the measurement, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2020.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2020	939	(387)
2021	939	(387)
2022	937	(387)
2023	0	(386)
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0

Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan

GASB 75 Disclosure Information

Schedule of Deferred Outflows and Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Outflow	Net difference between projected and actual earnings on plan investments	4,693	5.0	939	2,815
2019	Deferred Outflow	Difference between expected and actual experience	0	2.2	0	0
2019	Deferred Outflow	Changes in assumptions	0	2.2	0	0
2019	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
					Total	0

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	2.2	0	0
2019	Deferred Inflow	Changes in assumptions	0	2.2	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	1,934	5.0	387	1,547
					Total	1,547

Net OPEB Expense

The Agency's Net OPEB expense was $44,512.

Net OPEB Liability – beginning (a)	$380,867
Net OPEB Liability – ending (b)	$362,983
Change in Net OPEB Liability [(b)-(a)]	(17,884)
Change in Deferred Outflows	939
Change in Deferred Inflows	1,547
Employer Contributions	59,910
Net OPEB Expense – June 30, 2017 to June 30, 2018	$44,512

Service Cost	30,249
Interest Cost	20,142
Expected Return on Assets	(6,431)
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	0
Changes of assumptions	0
Differences between projected and actual investments	552
Total	552
Net OPEB Expense – June 30, 2017 to June 30, 2018	$44,512

Actuarially Determined Contribution

The actuarially determined contributions from the most recent actuarial valuation are:

Actuarially Determined Contribution for year ending June 30, 2018	$43,396
Actuarially Determined Contribution for year ending June 30, 2019	45,385

Valuation Date	July 1, 2017
Discount Rate (Expected Long-term Return on Assets)	4.00%
Salary Increases	3.00%

Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission as of July 1, 2017.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

Molly McGee, ASA, EA, MAAA
Actuary

Carlos Diaz, ASA, EA, MAAA
Actuary

Contra Costa Local Agency Formation Commission
c/o California School Boards Association

May 22, 2020

Contra Costa Local Agency Formation Commission
c/o California School Boards Association

Re: Contra Costa Local Agency Formation Commission ("Agency") GASB 75 Valuation

This report sets forth the results of our GASB 75 actuarial valuation of the Agency's retiree health insurance program as of July 1, 2019.

In June 2004, the Governmental Accounting Standards Board (GASB) issued its accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the Agency to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. In June 2015, GASB released new accounting standards for postretirement benefit programs, GASB 74 and GASB 75, which replace GASB 43 and GASB 45, respectively.

Basis for Actuarial Valuation

To perform the valuation, we relied on the following information provided by the Agency:

- Census data for active employees and retirees
- Claims, premium, expense, and enrollment data
- Copies of relevant sections of healthcare documents, and
- (If applicable) trust statements prepared by the trustee

We also made certain assumptions regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions used for similar valuations, modified as appropriate for the Agency.

A complete description of the actuarial assumptions used in the valuation is set forth in the Actuarial Assumptions section.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the Actuarial Certification section.

We have enjoyed working with the Agency on this project and are available to answer any questions you may have concerning any information contained herein.

Disclosure of Risk

Considering recent events, it is important to call attention to the external risk factors associated with actuarial projections. An event like the COVID-19 pandemic has the potential to affect future measurements that would deviate from current long-term expectations. The following is a list of specific factors that impact OPEB liabilities:

- Census – retirement, turnover, and mortality experience different than expected.
- Medical coverage – premiums, participation, and level of coverage different than expected.
- Municipal bond rates – changes in applicable rates (rates are currently declining and may result in increased liabilities). Under GASB 75, the municipal rate may affect the discount rate. The quantitative effect of changes in the discount rate can be seen in the sensitivity results.
- Investment performance – (for funded plans) investment performance different than the long-term expected return. Investment performance may also affect the discount rate.

The current environment's impact on these factors will continue to unfold. We are available to discuss both short-term and long-term impact upon request.

*****

Sincerely,
DFA, LLC

Molly McGee

Molly McGee, ASA, EA, MAAA
Actuary

Carlos Diaz, ASA, EA, MAAA
Actuary

Financial Results

In this section, we present financial results based on a long-term expected return on plan investments of 4.00%. This rate is based on our best estimate of expected long-term plan experience for partially funded plans such as the Agency's. Results for purposes of GASB 75 reporting are presented in the next section.

We have determined that the present value of all benefits expected to be paid by the Agency for its current and future retirees is $390,392 as of July 1, 2019. If the Agency were to place this amount in a fund earning interest at the rate of 4.00% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

When we apportion the $390,392 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is $345,121 as of July 1, 2019. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay. The $345,121 is comprised of liabilities of $256,996 for active employees and $88,125 for retirees.

The Agency has adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of July 1, 2019, the trust balance or Plan Fiduciary’s Net Position (GASB 75) is $234,420.

The Net OPEB Liability, equal to the Total OPEB Liability over the Plan Fiduciary’s Net Position, is $110,701.

This valuation includes benefits for three retirees and two active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

Implicit Subsidy and ASOP 6

When premiums charged for retiree healthcare are lower than expected claims, an implicit subsidy is realized. This occurs, for example, when pre-Medicare retirees are afforded medical coverage at the same rates as active employees.

Actuarial Standard of Practice No. 6 (ASOP 6), revised in May 2014, provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary must include the value of this implicit subsidy in the GASB 45/75 liabilities.

This valuation reflects the value of the implicit subsidy equal to $8,550.

GASB 75 Results

For financial reporting purposes, GASB 75 requires a discount rate that reflects the following:

a. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

The amount of the plan's projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments.

Based on these requirements and the following information, we have determined a discount rate of 4.00% for GASB 75 reporting purposes:

Long-Term Expected Return on Assets	4.00%
Fidelity General Obligations AA - 20 Years Index at June 30, 2019	3.13%
GASB 75 Discount Rate	4.00%

GASB 75 Results (continued)

Contra Costa Local Agency Formation Commission
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard

	July 1, 2019[1]		
	Long-Term Return	**Municipal Bond Index**	**GASB 75 Rate**
Discount Rate	4.00%	3.13%	4.00%
Present Value of Future Benefits			
Active	$302,267	$333,895	$302,267
Retired	88,125	91,206	88,125
Total	$390,392	$425,101	$390,392
Total OPEB Liability (Actuarial Liability)			
Active	$256,996	$281,216	$256,996
Retired	88,125	91,206	88,125
Total	$345,121	$372,422	$345,121
Plan Fiduciary Net Position (Plan Assets)	$234,420	$234,420	$234,420
Net OPEB Liability (Unfunded Actuarial Liability)	$110,701	$138,002	$110,701
Sensitivity Analysis			
1% Decrease in Discount Rate	3.00%	2.13%	3.00%
Net OPEB Liability	$142,422	$174,624	$142,422
1% Increase in Discount Rate	5.00%	4.13%	5.00%
Net OPEB Liability	$83,590	$106,937	$83,590
1% Decrease in Trend Rate	5.00% decreasing to 4.00%	5.00% decreasing to 4.00%	5.00% decreasing To 4.00%
Net OPEB Liability	$82,536	$105,889	$82,536
1% Increase in Trend Rate	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%	7.00% decreasing to 6.00%
Net OPEB Liability	$143,287	$175,380	$143,287

[1] For the Agency's financial statements, DFA will provide separate schedules with supplemental GASB 75 information.

GASB 75 Results (continued)

Net OPEB Expense

We have determined the following components of the Agency's Net OPEB Expense for the measurement year ending June 30, 2020: Service Cost, Interest Cost, and Expected Return on Assets. The Service Cost represents the present value of benefits accruing in the current year. Interest Cost represents the interest on the Total OPEB Obligation and interest on the Service Cost. Expected Return on Assets is the expected return based on a 4.00% investment rate of return. Other components (Deferred Outflows and Inflows) will be determined based on the Net OPEB Obligation as of June 30, 2020.

We summarize the valuation results in the table on the next page. We provide results at three discount rates (the expected return on assets, the municipal bond index, and the GASB 75 rate, discussed above). All amounts are net of expected future retiree contributions, if any.

DFA will be available to assist the Agency and its auditors in preparing the footnotes and required supplemental information for compliance with GASB 75 (and GASB 74, if applicable). In the meantime, we are available to answer any questions the Agency may have concerning the report.

Actuarially Determined Contribution and Pay-As-You-Go with Implied Subsidy

We have calculated an actuarially determined contribution representing the Service Cost and a 30-year amortization (as a level percent of pay) of the Net OPEB Liability. We include the results in the table on the next page. We provide results at three discount rates (the expected long-term expected return on assets, the municipal bond index, and the GASB 75 rate).

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. We provide the amounts for illustrative purposes.

The actuarially determined contribution may be compared to the pay-as-you-go payment. The table shows the pay-as-you-go payment along with the projected implied subsidy payment.

GASB 75 Results (continued)

Contra Costa Local Agency Formation Commission
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard

	July 1, 2019		
	Long-Term Return	**Municipal Bond Index**	**GASB 75 Rate**
Discount Rate	4.00%	3.13%	4.00%
Components of Net OPEB Expense for 2019-20			
Service Cost	$20,689	$23,903	$20,689
Interest Cost	14,146	12,024	14,146
Expected Return on Assets	(9,377)	(9,377)	(9,377)
Total[2]	$25,458	$26,550	$25,458
Actuarially Determined Contribution (2019-20)			
Service Cost with Interest	$21,517	$24,651	$21,517
Amortization of Net OPEB Liability[3]	4,399	4,831	4,399
Total[4]	$25,916	$29,482	$25,916
Pay-As-You-Go Payment with Implied Subsidy (2019-20)			
Projected Pay-As-You-Go	$23,494	$23,494	$23,494
Projected Implied Subsidy	1,042	1,042	1,042
Total	$24,536	$24,536	$24,536

[2] Additional components are shown on the following pages. Deferred Outflows/Inflows of Resources will also include changes determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as June 30, 2020.
[3] 30-year amortization (as a level percent of pay).
[4] Estimated Actuarially Determined Contribution for 2020-21:

	Long-Term Return	**Municipal Bond Index**	**GASB 75 Rate**
Total	$26,694	$30,367	$26,694

GASB 75 Results (continued)

Schedule of Changes in Net OPEB Liability (July 1, 2018 to June 30, 2019)

1. Total OPEB Liability	
a. Total OPEB Liability at July 1, 2018[5]	$543,894
b. Service Cost[6]	21,950
c. Interest Cost	22,216
d. Benefit Payments[7]	(21,075)
e. Changes in plan provisions[8]	0
f. Difference between expected and actual experience[8,9]	(194,009)
g. Changes in assumptions and other inputs[8]	(27,855)
h. Total OPEB Liability at June 30, 2019	$345,121
2. Plan Fiduciary Net Position	
a. Plan Fiduciary Net Position at July 1, 2018[5]	$180,911
b. Contributions[7]	61,075
c. Expected Investment Income	8,387
d. Benefit Payments[7]	(21,075)
e. Projected Plan Fiduciary Net Position at June 30, 2019	$229,298
f. Difference between actual and expected return on assets[8]	5,122
g. Plan Fiduciary Net Position at June 30, 2019	$234,420
3. Net OPEB Liability: (1h) - (2g)	$110,701

[5] From June 30, 2019 disclosure report, based on the July 1, 2017 actuarial valuation.
[6] Discounted from July 1, 2019 valuation.
[7] Includes credit toward implicit subsidy.
[8] Deferred (Outflow)/Inflow of Resources established as of the June 30, 2019.
[9] Includes changes in census, premiums, and Agency paid benefits different than expected.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Type	Initial Amount	Date Established	Period (Years)	Annual Recognition[10]
Difference between expected/actual experience	0	06/30/2017	0.0	0
Difference between expected/actual return on assets	4,693	06/30/2017	5.0	939
Changes in assumptions or other inputs	0	06/30/2017	0.0	0
Difference between expected/actual experience	0	06/30/2018	0.0	0
Difference between expected/actual return on assets	(1,934)	06/30/2018	5.0	(387)
Changes in assumptions or other inputs	0	06/30/2018	0.0	0
Difference between expected/actual experience	(194,009)	06/30/2019	1.0	(194,009)
Difference between expected/actual return on assets	(5,122)	06/30/2019	5.0	(1,024)
Changes in assumptions or other inputs	(27,855)	06/30/2019	1.0	(27,855)

[10] Charge/(Credit) included in Net OPEB Expense.

Plan Provisions

Plan administration. The Agency administers a single employer defined benefit healthcare plan. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Benefits provided. Employees who attain age 55 and complete 10 years of service are eligible to receive an Agency paid benefit. The Agency pays a portion of the retiree's medical and dental benefits for the lifetime of the retiree and their dependents. Agency premiums and amounts paid by the Agency, for single coverage in 2019, are listed below:

Healthcare Plan	Monthly Premium	Agency Paid Portion
Contra Costa Health Plan – Basic Plan A	$812.06	$509.92
Contra Costa Health Plan – Medicare Plan A	403.04	403.03
Kaiser Permanente – Basic Plan A	877.30	478.91
Kaiser Permanente – Senior Advantage Plan A	368.50	263.94
Health Net HMO Plan – Basic Plan A	1677.56	627.79
Health Net Seniority Plus (HNSP) Plan A	595.96	409.69
Health Net CA & OOS PPO Plan – Basic Plan A	2340.40	604.60
Health Net CA & OOS PPO Plan A with Medicare Parts A&B	1201.52	563.17

Valuation Data

Retiree Census - Age distribution of retirees included in the valuation

Age	Total
Under 55	0
55-59	0
60-64	0
65-69	0
70-74	1
75-79	0
80-84	0
85+	2
All Ages	3
Average Age	83.5

Active Census - Age/service distribution of active employees included in the valuation

	Years of Service								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
<25	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0
60-64	0	0	1	0	0	0	0	0	1
65+	0	0	1	0	0	0	0	0	1
All Ages	0	0	2	0	0	0	0	0	2

Average Age: 65.6
Average Service: 12.5

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2019

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

- Long-term Expected Return 4.00%
- Municipal Bond Index 3.13%
- GASB 75 4.00%

Salary Increases: 3.00%

Withdrawal: Crocker-Sarason Table T-5 less mortality. Sample Rates:

Age	Rate
25	7.7%
35	6.3
45	4.0
55	0.9

Pre-retirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
25	0.48	0.17
35	0.52	0.29
45	0.97	0.66
55	2.79	1.67

Postretirement Mortality: RP-2014 Employee Mortality, without projection. Sample deaths per 1,000:

Age	Male	Female
55	5.74	3.62
60	7.78	5.19
65	11.01	8.05
70	16.77	12.87
75	26.83	20.94
80	44.72	34.84
85	77.50	60.50
90	135.91	107.13

Actuarial Assumptions (continued)

Retirement:

Age	Rate
59	25%
60	50%
61	75%
62	100%

Implicit Subsidy Factor: 1.0254

Percent Electing Coverage: 100%

Spouse Coverage:
Future retirees: 100%
Current retirees: Actual dependent data used.
Female spouses are assumed to be three years younger than male spouses.

Medical Trend: Sample Rates:

Year	Pre-Medicare	Medicare	Dental
2019	6.00%	4.00%	4.00%
2020	5.90%	4.00%	4.00%
2021	5.80%	4.00%	4.00%
2022	5.70%	4.00%	4.00%
2023	5.60%	4.00%	4.00%
2024	5.50%	4.00%	4.00%
2025	5.40%	4.00%	4.00%
2026	5.30%	4.00%	4.00%
2027	5.20%	4.00%	4.00%
2028	5.10%	4.00%	4.00%
2029+	5.00%	4.00%	4.00%

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission ("Agency") as of July 1, 2019.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

Molly McGee

Molly McGee, ASA, EA, MAAA
Actuary

Carlos Diaz, ASA, EA, MAAA
Actuary

Attachment 3

GASB Statement No. 75

Supplemental Schedules
for Contra Costa Local Agency Formation Commission

Reporting Period:	*July 1, 2019 to June 30, 2020*
Measurement Period:	*July 1, 2018 to June 30, 2019*
Valuation Date:	*July 1, 2019 (June 30, 2019)*

May 22, 2020

Notes to the Financial Statements
For the Year Ended June 30, 2020

Plan Description

Plan administration. The Agency administers a single employer defined benefit healthcare plan. The Agency currently provides retiree health benefits to retirees and their dependents through Contra Costa County. All retired employees are eligible to receive health and dental benefits for life, with costs shared by the Agency and the retirees.

Benefits provided. Employees who attain age 55 and complete 10 years of service are eligible to receive an Agency paid benefit. The Agency pays a portion of the retiree's medical and dental benefits for the lifetime of the retiree and their dependents.

Plan membership. At July 1, 2019, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	3
Active plan members	2

Contributions. The contribution requirements of Plan members and the Agency are established and amended by the Agency. The required contribution is based on projected pay-as-you-go financing requirements.

Net OPEB Liability

The Agency's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019 (June 30, 2019). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	4.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	6.00 percent for 2019 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2019 valuation were based on a review of plan experience during the period July 1, 2017 to June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	60%	4.4%
U.S. Fixed	40%	1.5%

Discount rate. GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the Agency's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2019	June 30, 2018	4.00%	3.62%	4.00%
June 30, 2020	June 30, 2019	4.00%	3.13%	4.00%

GASB 75 Disclosure Information

The components of the net OPEB liability were as follows:

Total OPEB liability	345,121
Plan fiduciary net position	234,420
Net OPEB liability	$110,701

Measurement date	June 30, 2019
Reporting date	June 30, 2020

Covered payroll	$234,670
Net OPEB liability (asset) as a percentage of covered payroll	47.17%
Plan fiduciary net position as a percentage of the total OPEB liability	67.92%

Schedule of Changes in Net OPEB Liability (June 30, 2018 to June 30, 2019)

Total OPEB Liability	
Service Cost	21,950
Interest	22,216
Changes of benefit terms	0
Difference between expected and actual experience	(194,009)
Changes of assumptions	(27,855)
Benefit payments[1]	(21,075)
Net change in total OPEB liability	(198,773)
Total OPEB liability – June 30, 2018 (a)	$543,894
Total OPEB liability – June 30, 2019 (b)	$345,121
Plan fiduciary net position	
Contributions – employer[1]	61,075
Net investment income	13,652
Benefit payments[1]	(21,075)
Trustee fees	(143)
Administrative expense	0
Net change in plan fiduciary net position	53,509
Plan fiduciary net position – June 30, 2018 (c)	$180,911
Plan fiduciary net position – June 30, 2019 (d)	$234,420
Net OPEB liability – June 30, 2018 (c) – (a)	$362,983
Net OPEB liability – June 30, 2019 (d) – (b)	$110,701

[1] Amount includes implicit subsidy associated with benefits paid.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	142,422	110,701	83,590

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	82,536	110,701	143,287

GASB 75 Disclosure Information

Statement of Fiduciary Net Position

Assets	
Cash, deposits, and cash equivalents	0
Receivables:	
Accrued Income	0
Total receivables	0
Investments:	
Managed account	234,420
Total Investments	234,420
Total Assets	234,420
Liabilities	
Payables	0
Total Liabilities	0
Net position restricted for postemployment benefits other than pensions	$234,420

Measurement date	June 30, 2019
Reporting date	June 30, 2020

Statement of Changes in Fiduciary Net Position

Additions	
Employer contributions[2]	61,075
Investment income:	
Net increase in fair value of investments	13,652
Total additions	74,727
Deductions	
Trustee fees	143
Administrative expense	0
Benefit payments[2]	21,075
Total deductions	21,218
Net increase in net position	53,509
Net position restricted for postemployment benefits other than pensions	
Beginning of year – June 30, 2018	$180,911
End of year – June 30, 2019	$234,420

[2] Includes $19,698 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amounts of $1,377.

Investments

Investment policy. The Agency's policy regarding the allocation of the plan's invested assets is established and may be amended by Agency management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The Agency's assets are invested through PARS. The asset allocation ranges for this objective are listed below:

Strategic Asset Allocation Ranges			
	Cash	Fixed Income	Equity
Stated Range	0-20%	40%-60%	40%-60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The investment manager (assisting the Agency) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

Rate of return. For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 6.45 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Annual money-weighted rate of return, net of investment expense	6.45%

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Agency's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience[3,4]	0	0
Changes in assumptions or other inputs[3,4]	0	0
Differences between projected and actual return investments[3,4]	1,876	5,258
Total	$1,876[5]	$5,258

[3] Measured at June 30, 2019;
[4] See Schedule of Deferred Outflows and Inflows of Resources for additional information;
[5] Does not include Agency contributions (plus associated implicit subsidy) made after the measurement, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2020.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	939	(1,411)
2022	937	(1,411)
2023	0	(1,410)
2024	0	(1,026)
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0

Contra Costa Local Agency Formation Commission
Post-Employment Medical Benefits Plan

GASB 75 Disclosure Information

Schedule of Deferred Outflows and Inflows of Resources

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Outflow	Net difference between projected and actual earnings on plan investments	4,693	5.0	939	1,876
2019	Deferred Outflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Outflow	Changes in assumptions	0	0.0	0	0
2019	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2020	Deferred Outflow	Difference between expected and actual experience	0	1.0	0	0
2020	Deferred Outflow	Changes in assumptions	0	1.0	0	0
2020	Deferred Outflow	Net difference between projected and actual earnings on plan investments	0	5.0	0	0
					Total	1,876

Year	Type	Category	Initial Base	Amortization Period	Annual Recognition	Current Balance
2018	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2018	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2018	Deferred Inflow	Net difference between projected and actual earnings on plan investments	0	0.0	0	0
2019	Deferred Inflow	Difference between expected and actual experience	0	0.0	0	0
2019	Deferred Inflow	Changes in assumptions	0	0.0	0	0
2019	Deferred Inflow	Net difference between projected and actual earnings on plan investments	1,934	5.0	387	1,160
2020	Deferred Inflow	Difference between expected and actual experience[6]	194,009	1.0	194,009	0
2020	Deferred Inflow	Changes in assumptions	27,855	1.0	27,855	0
2020	Deferred Inflow	Net difference between projected and actual earnings on plan investments	5,122	5.0	1,024	4,098
					Total	5,258

[6] Includes changes in census, premiums, and Agency paid benefits different than expected.

Net OPEB Expense

The Agency's Net OPEB expense was $(186,557).

Net OPEB Liability – beginning (a)	$362,983
Net OPEB Liability – ending (b)	$110,701
Change in Net OPEB Liability [(b)-(a)]	(252,282)
Change in Deferred Outflows	939
Change in Deferred Inflows	3,711
Employer Contributions	61,075
Net OPEB Expense – June 30, 2018 to June 30, 2019	$(186,557)

Service Cost	21,950
Interest Cost	22,216
Expected Return on Assets	(8,387)
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	(194,009)
Changes of assumptions	(27,855)
Differences between projected and actual investments	(472)
Total	(222,336)
Net OPEB Expense – June 30, 2018 to June 30, 2019	$(186,557)

Actuarially Determined Contribution

The actuarially determined contributions from the most recent actuarial valuation are:

Actuarially Determined Contribution for year ending June 30, 2020	$25,916
Actuarially Determined Contribution for year ending June 30, 2021	$26,694

Valuation Date	July 1, 2019
Discount Rate (Expected Long-term Return on Assets)	4.00%
Salary Increases	3.00%

Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Contra Costa Local Agency Formation Commission as of July 1, 2019 (June 30, 2019).

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the Agency. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the Agency, and (when applicable) trust statements prepared by the trustee and provided to us by the Agency.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

Molly McGee

Molly McGee, ASA, MAAA
Actuary

Carlos Diaz

Carlos Diaz, ASA, EA, MAAA
Actuary

Contra Costa Local Agency Formation Commission
c/o California School Boards Association

Segal

180 Howard Street, Suite 1100
San Francisco, CA 94105-6147
segalco.com

June 10, 2020
Agenda Item 16

Via Email

April 23, 2020

Ms. Gail Strohl
Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

Re: Contra Costa County Employees' Retirement Association (CCCERA) Five-Year Projection of Employer Contribution Rate Changes Based on Estimated 14.6% Net Market Value Investment Return for 2019

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, 2018 Actuarial Valuation results and incorporates an estimated net market value investment return of 14.6% for the 2019 calendar year calculated by CCCERA. 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 projected rate changes in the December 31, 2022 Actuarial Valuation also reflect the December 31, 2007 Unfunded Actuarial Accrued Liability (UAAL) charge and Pension Obligation Bonds (POB) credit layers dropping off as they become fully amortized.

The changes in contribution rate are due to:

1. Recognition of deferred investment gains and losses under the actuarial asset smoothing methodology;
2. Gains due to investment income earned on the excess of the Market Value of Assets (MVA) over the Actuarial Value of Assets (AVA) (and losses when the opposite occurs);

3. Contribution gains and losses which occur from delaying the implementation of new rates until 18 months after the actuarial valuation date; and
4. The December 31, 2007 UAAL charge and POB credit amortization layers dropping off as they become fully amortized as noted above.

This update also reflects an estimated net market value investment return of 14.6% in 2019 (i.e., more than the 7.00% assumed return) as provided by CCCERA.

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 in the December 31, 2018 Actuarial 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.

	Valuation Date (12/31)				
	2019	**2020**	**2021**	**2022**	**2023**
1) Deferred (Gains)/Losses	0.56%	(0.18%)	(0.43%)	0.07%	(0.50%)
2) (Gain)/Loss of Investment Income on Difference Between MVA and AVA	0.30%	(0.09%)	(0.08%)	(0.05%)	(0.05%)
3) 18-Month Rate Delay	(0.11%)	0.04%	0.01%	(0.05%)	(0.65%)
4) Drop Off of the December 31, 2007 UAAL Charge/POB Credit Layers	0.00%	0.00%	0.00%	(8.20%)	0.00%
Incremental Rate Change	0.75%	(0.23%)	(0.50%)	(8.23%)	(1.20%)
Cumulative Rate Change	0.75%	0.52%	0.02%	(8.21%)	(9.41%)

The difference between these cumulative rate changes and those shown in our December 9, 2019 letter (i.e., the previous five-year projection before reflecting the estimated net market return of 14.6% in 2019) are as follows:

	Valuation Date (12/31)				
	2019	**2020**	**2021**	**2022**	**2023**
Cumulative Rate Change Before Reflecting 14.6% Market Return (From December 9, 2019 Letter)	1.52%	2.63%	3.44%	(3.57%)	(3.65%)
Cumulative Rate Change After Reflecting 14.6% Market Return	0.75%	0.52%	0.02%	(8.21%)	(9.41%)
Difference	(0.77%)	(2.11%)	(3.42%)	(4.64%)	(5.76%)

The average employer contribution rate as of the December 31, 2018 Actuarial Valuation is 35.73%, and based on the cumulative rate changes above is projected to progress as follows:

	Valuation Date (12/31)				
	2019	**2020**	**2021**	**2022**	**2023**
Average Employer Contribution Rate	36.48%	36.25%	35.75%	27.52%	26.32%

The rate change for an individual cost group or employer will vary depending 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 ratio (AVR). A higher AVR results in more volatile contributions and can result from the following factors:

- More generous benefits
- More retirees
- Older workforce
- Shorter careers
- Issuance of POBs

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

In addition, the projected rate changes for the December 31, 2022 Actuarial Valuation reflect the December 31, 2007 UAAL charge and POB credit layers dropping off as they become fully amortized. That impact has been explicitly calculated and reflected for each cost group as it varies significantly by cost group depending on the UAAL and POB layers established for each cost group. The impact of POB credit layers dropping off varies significantly by employer depending on whether the employer issued POBs or made additional contributions towards their UAAL. Therefore, we also show results separated out for employers that are in a cost group that has an employer with a POB credit.

For most employers without a POB credit, there is a significant reduction in the employer rate that is projected to occur in the December 31, 2022 Actuarial Valuation due to that UAAL layer being fully amortized. For other employers that have a POB credit, the reduction in the employer rate is not as significant since their current contribution rates have already been reduced to reflect that they paid off a portion of that UAAL layer through the issuance of the POBs or additional UAAL payments. For some other employers, such as the Contra Costa Fire

Protection District and the Moraga-Orinda Fire Protection District, since they already paid off that UAAL amortization layer via POBs and additional UAAL payments, they will not see a reduction in their employer contribution rate at that time.

The projected rate changes for the December 31, 2023 Actuarial Valuation that are due to the 18-month rate delay for each cost group have also been determined based on the different incremental rate changes for the prior year's valuation as of December 31, 2022 for each cost group. This is because those changes vary significantly based on the prior year rate changes for each cost group.

Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- December 31, 2018 non-economic assumptions remain unchanged.
- December 31, 2018 retirement benefit formulas remain unchanged.
- December 31, 2018 1937 Act statutes remain unchanged.
- UAAL amortization method remains unchanged.
- December 31, 2018 economic assumptions remain unchanged, including the 7.00% investment earnings assumption.
- The net market value investment return of 14.6% was earned during 2019.
- We have assumed that returns of 7.00% are actually earned on a market value basis for years after 2019.
- 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, 2018. 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 AVR used for these projections is based on the December 31, 2018 Actuarial Valuation and is assumed to stay constant during the projection period.
- All other actuarial assumptions used in the December 31, 2018 Actuarial Valuation are realized.
- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance and the continuation of the current pooling arrangement among different employers within a cost group.
- 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 would 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, 2018 Actuarial Valuation results including the participant data and actuarial assumptions on which that valuation was based. These projections were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, 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,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary

Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary

EK/gxk
Enclosure

Segal

Exhibit

Contra Costa County Employees' Retirement Association

Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2018 Valuation with Estimated 14.6% Net Market Value Return for 2019

	CG#1 & CG#2 Combined Enhanced General	CG#1 & CG#2 County and Courts with POB	CG#1 & CG#2 Moraga-Orinda FD with POB	CG#1 & CG#2 First Five with Prepayment	CG#1 & CG#2 Other District without POB
Market Value of Assets (MVA)*	$4,568,346,116				
Projected Payroll for 2019	$677,042,641				
Asset Volatility Ratio (AVR) = MVA/Payroll	6.75				
Relative Volatility Ratio = CG AVR / Total Plan AVR	0.75				
Estimated Incremental Rate Change as of 12/31/2019	0.56%	0.56%	0.56%	0.56%	0.56%
Estimated Incremental Rate Change as of 12/31/2020	-0.17%	-0.17%	-0.17%	-0.17%	-0.17%
Estimated Incremental Rate Change as of 12/31/2021	-0.37%	-0.37%	-0.37%	-0.37%	-0.37%
Estimated Incremental Rate Change as of 12/31/2022**	-6.44%	-6.21%	-4.16%	-7.86%	-15.31%
Estimated Incremental Rate Change as of 12/31/2023	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%
Cumulative Rate Change as of 12/31/2019	0.56%	0.56%	0.56%	0.56%	0.56%
Cumulative Rate Change as of 12/31/2020	0.39%	0.39%	0.39%	0.39%	0.39%
Cumulative Rate Change as of 12/31/2021	0.02%	0.02%	0.02%	0.02%	0.02%
Cumulative Rate Change as of 12/31/2022**	-6.42%	-6.19%	-4.14%	-7.84%	-15.29%
Cumulative Rate Change as of 12/31/2023	-7.34%	-7.11%	-5.06%	-8.76%	-16.21%

	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)*	$318,077,865	$53,086,629	$47,519,010	$6,763,264
Projected Payroll for 2019	$35,442,603	$5,730,562	$5,747,105	$940,297
Asset Volatility Ratio (AVR) = MVA/Payroll	8.97	9.26	8.27	7.19
Relative Volatility Ratio = CG AVR / Total Plan AVR	1.00	1.03	0.92	0.80
Estimated Incremental Rate Change as of 12/31/2019	0.75%	0.77%	0.69%	0.60%
Estimated Incremental Rate Change as of 12/31/2020	-0.23%	-0.24%	-0.21%	-0.18%
Estimated Incremental Rate Change as of 12/31/2021	-0.50%	-0.51%	-0.46%	-0.40%
Estimated Incremental Rate Change as of 12/31/2022**	-13.52%	-17.95%	2.29%	-0.02%
Estimated Incremental Rate Change as of 12/31/2023	-1.62%	-1.98%	-0.32%	-0.44%
Cumulative Rate Change as of 12/31/2019	0.75%	0.77%	0.69%	0.60%
Cumulative Rate Change as of 12/31/2020	0.52%	0.53%	0.48%	0.42%
Cumulative Rate Change as of 12/31/2021	0.02%	0.02%	0.02%	0.02%
Cumulative Rate Change as of 12/31/2022**	-13.50%	-17.93%	2.31%	0.00%
Cumulative Rate Change as of 12/31/2023	-15.12%	-19.91%	1.99%	-0.44%

* Excludes Post Retirement Death Benefit reserve and terminated employers' assets from bookkeeping accounts.
** Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off as they become fully amortized.
These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

Exhibit (continued)

Contra Costa County Employees' Retirement Association

Estimated Employer Rate Change by Cost Group (CG) Based on December 31, 2018 Valuation with Estimated 14.6% Net Market Value Return for 2019

	CG#7 & CG#9 Combined Enhanced County	CG#8 Combined Enhanced CCCFPD and East CCCFPD	CG#8 Enhanced CCCFPD with POB	CG#8 Enhanced East CCCFPD without POB	CG#10 Enhanced Moraga-Orinda FD
Market Value of Assets (MVA)*	$1,673,590,148	$859,362,407			$156,442,726
Projected Payroll for 2019	$99,797,427	$40,232,601			$7,415,517
Asset Volatility Ratio (AVR) = MVA/Payroll	16.77	21.36			21.10
Relative Volatility Ratio = CG AVR / Total Plan AVR	1.86	2.37			2.34
Estimated Incremental Rate Change as of 12/31/2019	1.40%	1.78%	1.78%	1.78%	1.75%
Estimated Incremental Rate Change as of 12/31/2020	-0.43%	-0.54%	-0.54%	-0.54%	-0.54%
Estimated Incremental Rate Change as of 12/31/2021	-0.93%	-1.18%	-1.18%	-1.18%	-1.17%
Estimated Incremental Rate Change as of 12/31/2022**	-16.96%	1.03%	4.83%	-40.85%	4.55%
Estimated Incremental Rate Change as of 12/31/2023	-2.36%	-1.22%	-1.22%	-1.22%	-0.93%
Cumulative Rate Change as of 12/31/2019	1.40%	1.78%	1.78%	1.78%	1.75%
Cumulative Rate Change as of 12/31/2020	0.97%	1.24%	1.24%	1.24%	1.21%
Cumulative Rate Change as of 12/31/2021	0.04%	0.06%	0.06%	0.06%	0.04%
Cumulative Rate Change as of 12/31/2022**	-16.92%	1.09%	4.89%	-40.79%	4.59%
Cumulative Rate Change as of 12/31/2023	-19.28%	-0.13%	3.67%	-42.01%	3.66%

	CG#11 Enhanced San Ramon Valley FD	CG#12 Non-Enhanced Rodeo-Hercules FPD	Total Plan
Market Value of Assets (MVA)*	$365,629,558	$32,899,048	$8,081,716,770
Projected Payroll for 2019	$21,610,987	$2,431,028	$896,390,768
Asset Volatility Ratio (AVR) = MVA/Payroll	16.92	13.53	9.02
Relative Volatility Ratio = CG AVR / Total Plan AVR	1.88	1.50	1.00
Estimated Incremental Rate Change as of 12/31/2019	1.41%	1.13%	0.75%
Estimated Incremental Rate Change as of 12/31/2020	-0.43%	-0.35%	-0.23%
Estimated Incremental Rate Change as of 12/31/2021	-0.94%	-0.75%	-0.50%
Estimated Incremental Rate Change as of 12/31/2022**	-36.00%	-21.58%	-8.23%
Estimated Incremental Rate Change as of 12/31/2023	-3.88%	-2.53%	-1.20%
Cumulative Rate Change as of 12/31/2019	1.41%	1.13%	0.75%
Cumulative Rate Change as of 12/31/2020	0.98%	0.78%	0.52%
Cumulative Rate Change as of 12/31/2021	0.04%	0.03%	0.02%
Cumulative Rate Change as of 12/31/2022**	-35.96%	-21.55%	-8.21%
Cumulative Rate Change as of 12/31/2023	-39.84%	-24.08%	-9.41%

* Excludes Post Retirement Death Benefit reserve and terminated employers' assets from bookkeeping accounts.
** Includes the impact of the December 31, 2007 UAAL charge and POB credit layers dropping off as they become fully amortized.
These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

Contra Costa County Employees' Retirement Association

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
March 11, 2020
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

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

1. Pledge of Allegiance.

2. Recognition of Shannon Goss for 5 years of service.

3. Accept comments from the public.

4. Routine items for March 11, 2020.

   a. Approve certifications of membership.
   b. Approve service and disability allowances.
   c. Accept disability applications and authorize subpoenas as required.
   d. Approve death benefits.
   e. Accept asset allocation report.
   f. Accept liquidity report.

CLOSED SESSION

5. The Board will go into closed session pursuant to Govt. Code Section 54957 to evaluate the performance of the following public employee:

   Title: Chief Executive Officer

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

6. The Board will continue in closed session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

Member	Type Sought	Recommendation
a. Siamak Nasseh	Service Connected	Service Connected

7. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:

    a. *Nowicki v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. C17-01266

OPEN SESSION

8. Presentation of disability retirement process.

9. Presentation of semi-annual disability retirement report.

10. Board workshop regarding death during active membership and non-service connected disability.

11. Consider and take possible action on SACRS voting proxy form.

12. Consider and take possible action to amend the Audit Committee Charter as recommended by the Audit Committee.

13. Presentation of the Contra Costa County Clerk-Recorder-Elections Department employer audit report.

14. Report out from Audit Committee Chair on February 26, 2020 Audit Committee meeting.

15. Consider authorizing the attendance of Board:
    a. NCPERS Annual Conference & Exhibition (ACE), May 10-13, 2020, Las Vegas, NV.
    b. IFEBP Trustees & Administrators Institute, June 29-July 1, 2020, San Francisco, CA.

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

.

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

Contra Costa County Employees' Retirement Association

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
April 8, 2020, 9:00 a.m.

Coronavirus (COVID-19) Health Crisis

The Board of Retirement meeting will be accessible telephonically at (646) 749-3112, access code 698-683-205 due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may submit public comment to info@cccera.org either before or during the meeting. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

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

1. Pledge of Allegiance.

2. Accept comments from the public.

3. Approve minutes from the February 12, 2020 and February 26, 2020 meetings.

4. Routine items for April 8, 2020.

   a. Approve certifications of membership.
   b. Approve service and disability allowances.
   c. Accept disability applications and authorize subpoenas as required.
   d. Approve death benefits.
   e. Accept asset allocation report.
   f. Accept liquidity report.

CLOSED SESSION

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

Agency designated representatives:
Gail Strohl, Chief Executive Officer
Joe Wiley, CCCERA's Chief Negotiator

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

OPEN SESSION

6. CCCERA Operations Update.

7. Presentation from Verus regarding the coronavirus and its impact on market conditions.

8. Chief Investment Officer Update on Investment Response to COVID-19.

9. Consider and take possible action to amend the Retirement Board's Regulations.

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

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

Contra Costa County Employees' Retirement Association

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
May 6, 2020, 9:00 a.m.

Coronavirus (COVID-19) Health Crisis

The Board of Retirement meeting will be accessible telephonically at (646) 749-3122, access code 182-448-693 due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may submit public comment to info@cccera.org either before or during the meeting. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

All comments submitted will be included in the record of the meeting. The comments will be read into the record at the meeting, subject to a three minute time limit per comment.

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

1. Pledge of Allegiance.

2. Recognition of Michelle Reyes for 20 years of service.

3. Accept comments from the public.

4. Approve minutes from the March 11, 2020 and April 8, 2020 meetings.

5. Routine items for May 6, 2020.

    a. Approve certifications of membership.
    b. Approve service and disability allowances.

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

c. Accept disability applications and authorize subpoenas as required.
d. Approve death benefits.
e. Accept travel report.
f. Accept asset allocation report.
g. Accept liquidity report.

CLOSED SESSION

6. The Board will go into closed session pursuant to Govt. Code Section 54957 to consider the Hearing Officer's recommendation regarding the disability application for Ivan Suchel.

7. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:

   Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al., Supreme Court of the State of California, Case No. S247095.

OPEN SESSION

8. Presentation from Oaktree.

9. Consider and take possible action to cause an election to be held to fill the vacancy in the alternate safety member seat.

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

.

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

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
May 27, 2020, 9:00 a.m.

The Board of Retirement meeting will be accessible telephonically at +1 (571) 317-3122, access code 412-204-541 due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may submit public comment to info@cccera.org either before or during the meeting. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).) All comments submitted will be included in the record of the meeting. The comments will be read into the record at the meeting, subject to a three-minute time limit per comment.

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

1. Pledge of Allegiance.

2. Accept comments from the public.

CLOSED SESSION

3. The Board will go into closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:

   CCCERA v. Salgado, Contra Costa County Superior Court, Case No. MSC19-00580

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

OPEN SESSION

4. Review of total portfolio performance for period ending March 31, 2020.
   a. Presentation from Verus.
   b. Presentation from staff.

5. Report out from Audit Committee Chair on May 6, 2020 Audit Committee meeting.

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

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

AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
June 10, 2020, 9:00 a.m.

The Board of Retirement meeting will be accessible telephonically at +1 (872) 240-3412, access code 524-186-309 due to the Contra Costa County and State of California Coronavirus (COVID-19) Shelter In Place Orders, and as permitted by Executive Order N-29-20 issued on March 17, 2020.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may submit public comment to info@cccera.org either before or during the meeting. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

All comments submitted will be included in the record of the meeting. The comments will be read into the record at the meeting, subject to a three-minute time limit per comment.

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

1. Pledge of Allegiance.

2. Accept comments from the public.

3. Approve minutes from the May 6, 2020 meeting.

4. Routine items for June 10, 2020.

    a. Approve certifications of membership.
    b. Approve service and disability allowances.
    c. Accept disability applications and authorize subpoenas as required.
    d. Approve death benefits.
    e. Accept asset allocation report.
    f. Accept liquidity report.

5. Update from Segal on pension administration system project.

6. Consider and take possible action to issue a Request for Proposal for a Pension Administration System vendor.

7. Consider and take possible action to issue a Request for Proposal for Data Cleansing Services.

8. Presentation of 2019 CCCERA budget vs. actual expenses report.

9. Legislative update.

10. Miscellaneous
    a. Staff Report
    b. Outside Professionals’ Report
    c. Trustees’ comments

CALAFCO Daily Legislative Report
as of Wednesday, June 03, 2020

June 10, 2020
Agenda Item 18a

1

AB 1253 (**Rivas, Robert** D) **Local agency formation commissions: grant program.**

Current Text: Introduced: 2/21/2019 html pdf

Introduced: 2/21/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019)(May be acted upon Jan 2020)

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

Summary:

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

Attachments:

LAFCo Support Letter Template

CALAFCO Support letter Feb 2016

Position: Sponsor

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowksi, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the $1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget in a budget trailer bill.

AB 1751 (**Chiu** D) **Water and sewer system corporations: consolidation of service.**
Current Text: Amended: 7/5/2019 html pdf
Introduced: 2/22/2019
Last Amended: 7/5/2019
Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

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

Summary:
The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

Position: Watch
Subject: Water
CALAFCO Comments: This bill would authorize a water or sewer system corporation to file an application and obtain approval from the PUC through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system. The bill would require the commission to approve or deny the app. Unless the commission designates a different procedure because it determines a consolidation warrants a more comprehensive review, the bill would authorize a water or sewer system corporation to instead file an advice letter and obtain approval from the commission through a resolution authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that
has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

AB 2093 (**Gloria** D) **Public records: writing transmitted by electronic mail: retention.**
Current Text: Introduced: 2/5/2020 html pdf
Introduced: 2/5/2020
Status: 3/10/2020-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 1.) (March 10). Re-referred to Com. on APPR.

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

Summary:
Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.
Attachments:
AB 2093 LAFCo Oppose letter template March 2020
CALAFCO Oppose AB 2093 March 2020

Position: Oppose
Subject: Public Records Act
CALAFCO Comments: This bill requires all public agencies to retain and preserve for at least two years all email records as public records. This includes ALL emails without regard for topic or relevance to agency business, whether they be spam, auto-replies and random correspondence of little to no public interest. Further it does not allow the agency to charge for the time required to sift through this backlog of emails to respond to the request for public record. This is an

expensive unfunded mandate.

This bill mirrors AB 1184 from 2019 which was vetoed by the Governor, whose veto message read in part: "[t]his bill does not strike the appropriate balance between the benefits of greater transparency through the public's access to public records, and the burdens of a dramatic increase in records-retention requirements, including associated personnel and data-management costs to taxpayer."

CALAFCO joins a long list of agencies and Associations in opposition to this bill.

UPDATE: CALAFCO learned the Member is not going to move the bill forward in 2020.

AB 2452 (Garcia, Cristina D) State auditor: audits: high-risk local government agency audit program.

Current Text: Introduced: 2/19/2020 html pdf

Introduced: 2/19/2020

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was A. & A.R. on 2/27/2020)

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

Summary:
Would authorize the California State Auditor to include in the high-risk local government agency audit program any local agency or district association that the California State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness.

Attachments:
CALAFCO Oppose AB 2452_March 2020

Position: Oppose
Subject: Other
CALAFCO Comments: This bill authorizes the State Auditor to investigate and audit not-for-profit associations with public agency membership as part of the High-Risk Local Agency Audit Program (HRLAAP). This bill is a follow-up to AB 315 from 2019 (which CALAFCO opposed), both of which are a result of the author's concern over one particular association of cities which held an event at which two council members behaved inappropriately. CALAFCO joined a coalition of state associations in opposition to this bill.

UPDATE: CALAFCO learned the Member will not move the bill forward in 2020.

SB 414 (Caballero D) Small System Water Authority Act of 2019.

Current Text: Amended: 6/25/2019 html pdf

Introduced: 2/20/2019

Last Amended: 6/25/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

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

Summary:
Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

Position: Support
Subject: Water
CALAFCO Comments: This bill is very similar to AB 2050 (Caballero) from 2018. Several

changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

SB 928 **(Committee on Governance and Finance) Validations.**
Current Text: Introduced: 2/5/2020 html pdf
Introduced: 2/5/2020
Status: 5/12/2020-Read second time. Ordered to consent calendar.

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

Calendar:
6/4/2020 #89 SENATE CONSENT CALENDAR - 2ND DAY
Summary:
This bill would enact the First Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Support
CALAFCO Comments: This is the first of three annual validating acts.

SB 929 **(Committee on Governance and Finance) Validations.**
Current Text: Introduced: 2/5/2020 html pdf
Introduced: 2/5/2020
Status: 5/12/2020-Read second time. Ordered to consent calendar.

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

Calendar:
6/4/2020 #90 SENATE CONSENT CALENDAR - 2ND DAY
Summary:
This bill would enact the Second Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Support
CALAFCO Comments: This is the second of three annual validating acts.

SB 930 **(Committee on Governance and Finance) Validations.**
Current Text: Introduced: 2/5/2020 html pdf
Introduced: 2/5/2020
Status: 5/12/2020-Read second time. Ordered to consent calendar.

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

Calendar:
6/4/2020 #91 SENATE CONSENT CALENDAR - 2ND DAY
Summary:
This bill would enact the Third Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Support
CALAFCO Comments: This is the third of three annual validating acts.

SB 1052 (**Hertzberg** D) **Water quality: municipal wastewater agencies.**

Current Text: Introduced: 2/18/2020 html pdf

Introduced: 2/18/2020

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)

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

Summary:

Would establish municipal wastewater agencies and would authorize a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Attachments:

SB 1052 LAFCo template Support_March 2020
SB 1052 CALAFCO Support_March 2020

Position: Support

Subject: Municipal Services, Special District Principle Acts

CALAFCO Comments: This bill adds authority to municipal wastewater agencies as outlined in 13911(a) and (b) relating to stormwater runoff and management. The bill authorizes this additional authority while keeping the LAFCo process to activate these latent powers intact.

UPDATE: CALAFCO learned the Senator is not moving this bill forward in 2020 and will re-introduce it next year.

SB 1280 (**Monning** D) **Drinking water: consolidation and extension of service: at-risk water systems.**

Current Text: Amended: 4/1/2020 html pdf

Introduced: 2/21/2020

Last Amended: 4/1/2020

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)

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

Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order consolidation with, or extension of service from, a receiving water system if a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. The act requires the state board, no later than July 1, 2020, to develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the state board to consider ordering consolidation. This bill would authorize the state board to order consolidation between a receiving water system and an at-risk water system, as defined, upon receipt of a petition that substantially conforms to the above-referenced policy adopted by the state board and that is either approved by the water system's governing body or signed by at least 30% of the households served by the water system.

Position: Oppose

Subject: Water

CALAFCO Comments: This bill pertains to the petition to the SWRCB for water system consolidation. It (1) seeks to give the SWRCB authority to mandate consolidation if the petition "substantially conforms" to state policy requirements, and (2) allows for that consolidation order if the petition is approved by the water system's governing body OR signed by at least 30% of households being served by the water system.

Adding "households" is a substantive change.

UPDATE: CALAFCO learned the Senator will not be moving this bill forward in 2020.

2

AB 213 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 1/15/2019 html pdf

Introduced: 1/15/2019

Status: 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/19/2019)(May be acted upon Jan 2020)

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

Summary:
Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:
CALAFCO Support Letter

Position: Support
Subject: Tax Allocation
CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from 2018.

AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/20/2019 html pdf

Introduced: 2/20/2019

Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

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

Summary:
Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Attachments:
LAFCo Support letter template
CALAFCO Support March 2019

Position: Support
Subject: Financial Viability of Agencies
CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

3

AB 134 (Bloom D) Safe Drinking Water Restoration.

Current Text: Amended: 5/20/2019 html pdf

Introduced: 12/5/2018
Last Amended: 5/20/2019
Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

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

Summary:
Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch
Subject: Water

AB 1457 (**Reyes** D) **Omnitrans Transit District.**
Current Text: Amended: 5/24/2019 html pdf
Introduced: 2/22/2019
Last Amended: 5/24/2019
Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/25/2019)(May be acted upon Jan 2020)

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

Summary:
Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.
Attachments:
CALAFCO Oppose unless amended letter_April 2019

Position: Neutral
CALAFCO Comments: This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments.

UPDATE: The author's office has indicated to CALAFCO that they will not be moving this bill forward in 2020.

AB 2148 (**Quirk** D) **Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.**
Current Text: Amended: 3/5/2020 html pdf
Introduced: 2/10/2020
Last Amended: 3/5/2020
Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/5/2020)

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

Summary:
Current law establishes the Integrated Climate Adaptation and Resiliency Program, administered by the Office of Planning and Research, to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as specified. This bill would require the Strategic Growth Council, by July 1, 2021, to establish guidelines for the formation of regional climate adaptation planning groups. The bill would require the council, by July 1, 2022, to develop criteria for the development of regional climate adaptation plans.

Position: Watch

Subject: Climate Change
CALAFCO Comments: This bill states the Legislature's intent to create legislation that would foster regional-scale climate adaptation strategies, and require the creation of regional plans relating to sea level rise and fire vulnerability. CALAFCO will watch this bill.

AB 2370 **(Limón D)** **Ventura Port District: aquaculture plots: federal waters.**
Current Text: Amended: 3/16/2020 html pdf
Introduced: 2/18/2020
Last Amended: 3/16/2020
Status: 3/17/2020-Re-referred to Com. on L. GOV.

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

Summary:
Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, a city or district may only provide new or extended services by contract or agreement outside of its jurisdictional boundary if it requests and receives written approval, as provided, from the local agency formation commission in the county in which the extension of service is proposed. This bill would, notwithstanding the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, authorize the Ventura Port District, to the extent permitted by federal law, to construct, maintain, operate, lease, and grant permits to others for the installation, maintenance, and operation of aquaculture plots in federal waters off the coast of California the County of Ventura, as prescribed, in order to aid in the development or improvement of navigation or commerce to the port district.

Position: Watch
Subject: Special District Powers
CALAFCO Comments: This is a local bill authorizing Ventura Port District to extend operations into federal waters. CALAFCO will work with Ventura LAFCo.

UPDATE: CALAFCO learned that the author has pulled the bill for 2020.

AB 2629 **(Mayes I)** **Imperial Irrigation District: retail electric service.**
Current Text: Amended: 5/4/2020 html pdf
Introduced: 2/20/2020
Last Amended: 5/4/2020
Status: 5/5/2020-Re-referred to Com. on L. GOV.

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

Summary:
Would require the State Energy Resources Conservation and Development Commission, the Imperial County Local Agency Formation Commission, and the Riverside County Local Agency Formation Commission to meet to determine the sphere of influence of the Imperial Irrigation District and options for electrical service to the energy service area of the Imperial Irrigation District at the end of a certain lease of electrical rights and to evaluate related issues of the water rights of the Imperial Irrigation District and would, on or before June 30, 2021, require the Imperial Irrigation District to submit any requested documents and information to the Energy Commission for these purposes. The bill would require the Energy Commission to study options to extend representation on the board of directors of the Imperial Irrigation District, for a specified time, to residents within the energy service area of the Imperial Irrigation District but outside its jurisdictional boundaries.

Position: Watch
Subject: Service Reviews/Spheres
CALAFCO Comments: This is a local bill relating to the Imperial Irrigation District. As written the bill requires the State Energy Resources Conservation & Development Commission, Riverside and Imperial LAFCos to meet for the purposes of determining the SOI of the district and for options for electrical service to the Coachella Valley and to evaluate issues relating to the water rights of the district and options for the district to maintain those rights. CALAFCO will watch the bill for any amendments and potential negative impacts.

UPDATE: CALAFCO learned the author will not be moving the bill forward in 2020.

AB 3281 **(Brough R)** **Worker status: independent contractors: business-to-business contracting relationship.**

Current Text: Introduced: 2/21/2020 html pdf

Introduced: 2/21/2020

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. & E. on 3/9/2020)

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

Summary:

Current law exempts specified occupations and business relationships from the application of the "ABC" test, including a business-to-business contracting relationship, that meets specified requirements, including that a business is a "contracting business" if it demonstrates that it meets specified criteria. Current law, instead, provides that these exempt relationships are governed by the multifactor test previously established in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341. This bill would also include as a "contracting business" for purposes of a business-to-business contracting relationship, or business that subject to specified tax provisions relating to sale proprietorships on limited partnerships.

Position: Watch

CALAFCO Comments: This bill proposes amendments to AB 5 in terms of the exemption tests which may impact the contractual/employee relationship of CALAFCO and its two primary contractors.

AB 3312 **(Gray D)** **Local agency formation: annexation: City of Merced.**

Current Text: Amended: 5/4/2020 html pdf

Introduced: 2/21/2020

Last Amended: 5/4/2020

Status: 5/13/2020-Read second time. Ordered to third reading.

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

Calendar:

6/8/2020 #176 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary:

Would authorize the annexation of territory comprising the main campus of the University of California, Merced, as specified, and any road strip, as defined, to the City of Merced, notwithstanding the requirement that the territory be contiguous with the city, if other conditions are met, including that the territory is within the city's sphere of influence. The bill would prohibit the commission from approving subsequent annexations to the territory specified in the bill unless the annexation is contiguous with that territory.

Position: Watch

Subject: Annexation Proceedings

CALAFCO Comments: This is a local bill for Merced. It allows a defined section of the UC Merced campus and access road to be annexed if certain conditions are met and keeps the LAFCo process intact. CALAFCO will watch the bill to ensure the LAFCo process remains protected and work with Merced LAFCo.

AB 3338 **(Diep R)** **Community services districts: zones.**

Current Text: Introduced: 2/21/2020 html pdf

Introduced: 2/21/2020

Status: 2/24/2020-Read first time.

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

Summary:

The Community Services District Law authorizes the establishment of community services districts to provide various public facilities and services. That law establishes procedures for forming zones within specific areas of a community services district to provide different services, different levels of service, different facilities, or additional revenue. The law, among other things, requires a public hearing on the formation of a zone, at which the board of directors is required to hear protests of the formation of the zone, as specified. This bill would make nonsubstantive changes to this public hearing provision.

Position: Watch
Subject: Special District Powers
CALAFCO Comments: This is a spot bill.

SB 625 (**Bradford** D) **Central Basin Municipal Water District: receivership.**
Current Text: Amended: 6/2/2020 html pdf
Introduced: 2/22/2019
Last Amended: 6/2/2020
Status: 6/2/2020-Read second time and amended. Re-referred to Com. on APPR.

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

Calendar:
6/3/2020 Upon Call of the Chair - Assembly Floor ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair
Summary:
Would dissolve the board of directors of Central Basin Municipal Water District (CBMWD) and would provide that the November 3, 2020, election for directors of CBMWD shall not occur. The bill would require the Water Replenishment District of Southern California (WRD) to act as the receiver for CBMWD, would vest WRD with all necessary powers under the Municipal Water District Law of 1911 to take control of CBMWD, and would transfer all powers vested in the board of directors of CBMWD to the board of directors of WRD, except as specified. The bill would require CBMWD's board of directors to surrender all control of CBMWD and its resources to WRD.

Position: Watch
Subject: Municipal Services

SB 799 (**Dodd** D) **Local agency services: contracts: Counties of Napa and San Bernardino.**
Current Text: Amended: 3/11/2020 html pdf
Introduced: 1/7/2020
Last Amended: 3/11/2020
Status: 3/16/2020-March 18 hearing postponed by committee.

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

Summary:
The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 establishes a pilot program under which the commissions in the Counties of Napa and San Bernardino, upon making specified determinations at a noticed public hearing, may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, as provided. Existing law requires the Napa and San Bernardino commissions to submit a report to the Legislature on their participation in the pilot program, as specified, before January 1, 2020, and repeals the pilot program as of January 1, 2021. This bill would extend the January 1, 2021, repeal date with regard to the pilot program until January 1, 2026.

Position: Watch
Subject: CKH General Procedures
CALAFCO Comments: Originally created as a pilot program for San Bernardino and Napa LAFCos in 56133.5, the program is set to sunset January 1, 2021. This bill seeks to eliminate that sunset.

San Bernardino LAFCo has requested amendments to keep as a pilot for these two counties and reinstate another 5-year sunset.

The March 11, 2020 amendments remove CALAFCO's concerns and we will retain a Watch position.

UPDATE: CALAFCO learned the Senator is not moving this bill forward in 2020.

SB 806 (**Grove** R) **Worker status: employees: independent contractors.**

Current Text: Amended: 4/29/2020 html pdf

Introduced: 1/9/2020

Last Amended: 4/29/2020

Status: 5/18/2020-May 14 set for first hearing. Failed passage in committee. (Ayes 1. Noes 4.) Reconsideration granted.

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

Summary:
Would establish a new test that, for purposes of specific provisions of the Labor Code governing the relationship of employer and employees, a person providing labor or services for remuneration is considered an employee rather than an independent contractor, unless the hiring entity demonstrates that the person is (1) free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact, determined by a preponderance of factors, with no single factor of control being determinative, and either that (2) the person performs work that is outside the usual course of the hiring entity's business, or the work performed is outside the place of business of the hiring entity, or the worker is responsible for the costs of the place of the business where the work is performed, or that (3) the person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

Position: Watch

Subject: Other

CALAFCO Comments: This bill proposes amendments to AB 5 in terms of the exemption tests which may impact the contractual/employee relationship of CALAFCO and its two primary contractors.

SB 931 (**Wieckowski** D) **Local government meetings: agenda and documents.**

Current Text: Amended: 4/2/2020 html pdf

Introduced: 2/5/2020

Last Amended: 4/2/2020

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 2/12/2020)

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

Summary:
The Ralph M. Brown Act requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require, if the local agency has an internet website, a legislative body or its designee to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. The bill would require, where the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a website link containing the documents by electronic mail or by other electronic means, the legislative body or its designee to send by electronic mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements.

Position: Watch

Subject: Other

CALAFCO Comments: This bill updates the Government Code to require a public agency to email the agenda or agenda items to anyone who requests it (current law requires the mailing of such documents upon request, this bill adds the option to email if requested).

SB 1096 (**Caballero** D) **Water and sewer system corporations: consolidation of service.**

Current Text: Introduced: 2/19/2020 html pdf

Introduced: 2/19/2020
Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 5/12/2020)

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

Summary:
Te California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related regulatory responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2020, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system.

Position: Watch
Subject: Water
CALAFCO Comments: This bill seeks to put timelines on the State Water Resources Control Board (SWRCB) to respond to applications for consolidations. CALAFCO will continue to watch this bill. There is no apparent impact to LAFCo based on the current version of the bill.

SB 1180 (**Dahle** R) **Fallen Leaf Lake Community Services District: elections.**
Current Text: Introduced: 2/20/2020 html pdf
Introduced: 2/20/2020
Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)

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

Summary:
Would require the El Dorado County elections official, with the assistance of the Fallen Leaf Lake Community Services District, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill. The bill, notwithstanding current law, would provide that voters who are resident registered voters of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services District, as specified.

Position: Watch
CALAFCO Comments: This is a local El Dorado County/district bill. This bill does several things. (1) Provides that voters who are resident registered voters of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services. (2) The bill also would authorize a voter who is not a resident of the district but owns a real property interest in the district to designate only one voter to vote on their behalf, regardless of the number of parcels in the district owned by the nonresident voter. (3) This bill would prohibit the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection and medical services, including emergency response and services, as well as parks and recreation services and facilities.

Total Measures: 26
Total Tracking Forms: 26

6/3/2020 7:56:49 PM

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
PENDING PROPOSALS – June 10, 2020

June 10, 2020
Agenda item 18b

LAFCO APPLICATION	RECEIVED	STATUS
LAFCO No. 10-09 - Town of Discovery Bay Community Services District (DBCSD) sphere of influence (SOI) Amendment (Newport Pointe): proposed SOI expansion of 20± acres bounded by Bixler Road, Newport Drive and Newport Cove	July 2010	Currently incomplete
LAFCO No. 10-10 - DBCSD Annexation (Newport Pointe): proposed annexation of 20± acres to supply water/sewer services to a 67-unit single family residential development	July 2010	Currently incomplete
LAFCO No. 13-04 - Bayo Vista Housing Authority Annexation to Rodeo Sanitary District: 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
LAFCO No. 14-05 - 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 **Resubmitted 5/27/20**	Under review
LAFCO No. 16-06 - 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
LAFCO No. 16-07 -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
LAFCO No. 20-02 - Dunivan Annexation to City of Martinez: proposed annexation of 10± acres located at 1030 Vaca Creek Road	April 15, 2020	Under review
LAFCO No. 20-03 - Dissolution of Knightsen Town Community Services District: proposed district dissolution	May 14, 2020	Under review
Meineke Annexation to EBMUD: proposed annexation of 58± acres located 2298 Caballo Ranchero Drive in Diablo	May 28, 2020	Under review

June 10, 2020
Agenda Item 18c

East Bay Times

City is in talks for another short-term loan to avoid bankruptcy; City Council is expected make decisions Tuesday.

By Jon Kawamoto | jkawamoto@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: April 20, 2020 at 10:03 a.m. | UPDATED: April 20, 2020 at 1:44 p.m.

EL CERRITO — The city is forecasting a deficit of $3.7 million this year because of the coronavirus pandemic and "it is absolutely necessary" for El Cerrito to get another short-term loan to avoid bankruptcy, according to a staff report.

Even with the short-term loan, the city must slash $4 million from its budget "for continuing fiscal stability," El Cerrito City Manager Karen Pinkos said in a new report to be presented at Tuesday's El Cerrito City Council remote meeting. The council is expected to make a number of budget decisions Tuesday to try to avoid insolvency and filing for Chapter 7 bankruptcy.

"The effect of COVID-19 on city finances has been unprecedented and sudden," Pinkos said. "It may linger for years to come, unless decisive action is taken within the next few months."

Before the pandemic, Pinkos proposed cuts in city staff, programs and services totaling $2 million. But the fallout from the shelter-in-place order has added to the city's urgency to act immediately to deal with its fiscal problems.

Pinkos' initial $2 million in cuts was in reaction to the city being singled out by California State Auditor Elaine Howle for financial distress — El Cerrito ranked No. 7 on the list of the state's cities in trouble financially. The State Auditor's Office intends to audit the city's finances sometime this year.

In her Jan. 13 letter to the Legislature requesting an audit of El Cerrito, Howle said the city had "inadequate general fund reserves, cash flow and liquidity challenges, and escalating pension costs" and had "not developed a long-term approach to improve its financial condition and has not addressed its increasing pension costs."

Before the pandemic hit, the general fund budget was expected to end up with $544,000 at the end of the current 2019-20 fiscal year, Pinkos said in the new report, which updates the city's third-quarter general fund budget and the impacts of COVID-19.

But as a result of the shelter-in-place business closures and revenue loss tied to falling commercial and consumer spending, she said the city will end the fiscal year with a deficit of at least $2.3 million. The city's balance sheet projects a deficit of $3.7 million as of March 31, 2020, according to Pinkos.

Revenues are expected to fall $3.8 million in the fourth quarter of the 2019-20 fiscal year, the new report by Pinkos said.

Sales tax revenues are anticipated to decline $1.1 million in the fourth quarter. “Staff expects that there will be immediate cash flow impacts, beginning in May through July and is preparing for a 50 percent drop in sales tax cash receipts,” Pinkos said.

In addition, the city faces a deficit of up to $7 million for the next fiscal year in 2020-21 — and that deficit could go as high as $10 million through fiscal year 2022, according to a consultant hired by the city.

At the April 7 City Council meeting, Pinkos mentioned the following proposed actions: furloughing 90 part-time employees; cuts to police, including a school resource officer; a reduction in benefits for management staff, including car allowances; a freeze on hiring, travel and training; eliminating vacant positions; negotiating with unions over contracts, including no raises and cuts in health and retirement benefits; and not holding major city events — such as the July Fourth parade, which the council canceled April 7.

Pinkos also proposed reducing library hours. The city funds the library $129,000 each year to supplement library hours, for a total of 50 hours, seven days a week. The cuts would reduce when the library is open to 35 hours, five days a week, which the county covers the cost of.

In a letter, El Cerrito Mayor Greg Lyman is urging U.S. Rep. Mark DeSaulnier to support federal emergency funding for libraries in any upcoming coronavirus relief packages.

“I urge you to continue the important investment in our community that is the funding of adequate hours for our library,” Al Miller, president of the El Cerrito Library Foundation, wrote in a letter submitted to the council. “It is one of the most important, most rewarding and most effective use of city funds.”

El Cerrito, which has a population of about 25,000 residents, has a current budget of about $40.5 million for 2020-21.

Pinkos said the city is negotiating with a bank for a short-term loan. Last July, the city borrowed $9 million from Westamerica Bank for a one-year loan.

Sonoma West Times & News

Palm Drive dissolution delay

- By Laura Hagar Rush, Sonoma West Editor, laura@sonomawest.com
- Apr 29, 2020 Updated Apr 30, 2020

THE LONG GOODBYE - Dissolution is inevitable now. It's just a matter of when and how and how much it's going to cost.

At the April 6 board meeting of the Palm Drive Health Care District (PDHCD), attorney Bill Adams warned the board and a fractious, virtual community of board watchers that the health care district wouldn't be able to meet the three-month dissolution deadline that it had outlined at its meeting in March.

Adams said that on March 17 — the day the county's shelter-in-place order went into effect — Sonoma County's Auditor-Controller-Treasurer-Tax Collector Erick Roeser wrote an email to both Adams and PDHCD Director Alanna Brogan saying that, in light of the epidemic, the county was going to be unable to convene the work group that was scheduled to take over the business of the troubled health care district until fall.

"It pushes the dissolution timeline back approximately three months," Adams said.

"I want to reconfirm that this is something the county said they have to do," Brogan said, "This is not our choice."

Ready, set, wait

The dissolution of the district has been a long-sought goal of district opponents, who this year took matters into their own hands and began circulating a petition to dissolve the district.

When the signatures began to add up, the district board responded by deciding to dissolve itself.

At first, it seemed a bit like a race — each side competing to see which would be the first to deliver their paperwork to LAFCO, the Local Agency Formation Commission which oversees the births and deaths of special taxation districts like a health district.

Then came the COVID-19 epidemic, and now both parties — like the rest of the world — seem frozen in aspic.

Jim Horn, one of the founders of the petition drive, said that the petition has more than 1,600 signatures — they need 2,400 signatures to force the dissolution — — but that signature gathering has slowed to a crawl since the shelter-in-place order went into effect.

For their part, representatives of the health district said they can't hand off the ball to the county until there's somebody on that end who's willing to catch it.

A ball made of money — and debt

Now that the health district has sold the hospital, it basically does two things — collects around $3 million in parcel taxes from west county residents and uses most of that to pay off the district's $28 million debt. With the money left over after debt payments, the district pays its staff (Brogan and her admin), its lawyers, and gives health care grants to various local nonprofits.

Just this month, Palm Drive Health Care District through its Gravenstein Health Action Chapter gave the city of Sebastopol $2,000 for face masks to help the city enforce the county health order about wearing masks in public places. It also gave West County Community Services two grants: $3,100 to provide lunches for the homeless in Sebastopol over the next month or two and $3,100 to help at-risk mothers of newborns with essentials like bottles, breast-feeding supplies and diapers.

It's not that opponents of the district oppose the good work these grants support — one of the founders of the petition drive to dissolve the district, Alan Murakami, called them "laudable." It's just that Murakami and company don't think that the money from the Measure W parcel tax, which was meant to support the hospital, should be used to fund random health-related projects.

In addition, Horn said, "The people are leading this effort for the district, the executive director and the legal staff, are basically getting paid each more than $10,000 a month, as long as the district goes on."

"I think they're trying to convince the county that this is a terribly complicated thing and so the county's trying to delay things as well. I don't really think the county has that option. I think this resolves; the county takes over. Period."

Mark Bramfitt, the director of LAFCO, agrees.

"My perspective is they (the district) don't need very much for an application (to dissolve)" he said. "While it's worthwhile to figure out how they transition everything, at the end of the day, everything gets transitioned to the county. So while I applaud them for doing that work in advance, I don't think all of that work is necessary in order to file an application for dissolution and to move that along."

An elective operation

The other problem with pushing out the date for dissolution by three months is that three seats on the Palm Drive District Board — belonging to Eira Klich-Heartt, Gail Thomas and Randy Coffman — are up for election in November of this year. Although, the new timeline shows the district dissolving just a few days before that election, there's no guarantee that the district and the county will be able to meet that deadline.

What this means is that these three candidates are looking at filing deadlines and filing fees, due in August, for positions that may or may not exist by November. Even worse, the district seems to be considering paying for an election for candidates who will serve just a few days if that.

Horn, a former board member, said none of this is necessary.

“The current board members terms extend into December,” Horn said. “And I believe it says in the bylaws that the directors serve until their replacements are seated. If there’s no election then there's no replacements, so they would serve until the district was dissolved.”

Horn is correct about the PDHCD bylaws. Article III, Section 2 reads as follows ‘The term of office of each elected board member shall be four (4) years or until the board member’s successor is elected and has qualified, except as otherwise provided by law in the event of a vacancy.’”

At this point, the Palm Drive Health Care District board is still discussing, not merely the pace of dissolution, but the necessity of spending potentially thousands of taxpayer dollars on the November election.

John Muir Land Trust’s Linus Eukel keeps the music of conservation going

The executive director of the John Muir Land Trust traded a music career for land conservation, but he still performs with passion.

MARTINEZ, CA – APRIL 17: John Muir Land Trust executive director Linus Eukel is photographed at Fernandez Ranch in Martinez, Calif., on Friday, April 17, 2020. (Jose Carlos Fajardo/Bay Area News Group)

By Joan Morris | jmorris@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: May 3, 2020 at 7:00 a.m. | UPDATED: May 4, 2020 at 3:49 a.m.

For Linus Eukel, the move from opera singer to executive director of the John Muir Land Trust was a natural and logical one, even if it leaves everyone else shaking their heads in puzzlement.

Both careers involve focus, passion and a single-minded purpose bordering on the obsessive.

“With music,” says Eukel, who has headed the Martinez-based John Muir Land Trust for the past 15 years, “you’ve got to be ready to do your best work at all times, any time you’re called on. It’s a self-involved sort of pursuit. So is the protection of nature, to follow in the footsteps of passionate people who have done so for many years.”

The 30-year-old land trust describes itself as serving “the human and non-human residents” of Alameda and Contra Costa counties “by conserving land that supports the health and well-being of all.”

The organization began around a kitchen table when a group of concerned neighbors came together to look for ways to preserve open space, protect it from development and make it available for everyone to enjoy forever.

The founders of the land trust used the East Bay Park District as a model, and drew inspiration from a former Martinez resident: naturalist and Sierra Club founder John Muir, who led millions to appreciate not only the beauty in nature, but the importance of protecting natural resources and wildlife.

The trust's first save was the Stonehurst property, 150 acres of pastoral land in Alhambra Valley that had been approved for development. The next project was to get rights to Mount Wanda, named for Muir's daughter, and its surrounding 325 acres, which were added to the John Muir National Historic Site.

More recent wins include West Hills Farm in 2015, Carr Ranch in 2016 and the soon-to-open Almond Ranch.

Eukel, 63, was born in Walnut Creek, but his music career took him across the country, performing with various opera companies. In 2005, he and his wife moved back to the Bay Area, deciding it was time to settle down and start their own family. Eukel ended up working for the land trust doing outreach, but soon found himself promoted to acting executive director when the trust's leader took a leave of absence.

The door was left open for her return, but when she decided to turn her interests elsewhere, Eukel was given the job.

We talked to Eukel about land preservation and legacies.

Q: Why is an organization such as the John Muir Land Trust so important?

A: From our perspective, the connection to nature is important to all of us. We serve as a vehicle, an instrument for all those passionate people who work so hard to preserve those lands in perpetuity.

That connection to nature and wildlife is easy to take for granted. We forget to appreciate what we have. But think about it. This area is growing and in the future, we're going to add a population something the size of San Francisco to Contra Costa and Alameda counties. With all those people, we're going to need more housing, more jobs, more transportation.

We need to protect the open space and ensure that we have nature nearby that is easily accessible. It's tremendously important for our well-being, but also to ensure clean air and clean water. Without natural resources, the system breaks down.

Q: Why are you so passionate about conservation and preservation?

A: I came from a background of pursuit — pursuing goals at the expense of everything else.

I think, in looking back, that I've sometimes lacked composure and life balance. But when I look at all the work that has gone on before us, and all that will go on ahead of us, it's easy to get wrapped up in that passion and drive.

Q: What will the trust's legacy look like?

A: That legacy is an investment that is paying off now and it will pay off in the future. The trust made sure people have to a place to go to be in nature. It's especially important now, with the shelter-in-place, and people can use that space as long as they experience it correctly and safely.

We have a lot of new users. People are calling and asking if they can take a walk. That's right now, but it's going to be that way forever. The trust has made sure those natural resources don't get used up. And we'll keep doing that until all the open space is preserved and we don't have any more to save.

Q: What do you want your legacy to be?

A: I don't really think about my own legacy. The work should speak for itself. I feel a part of the continuity of time. Look at what others have done, what John Muir did 100 years ago. It's our turn to do (that) for the next generation.

Every generation is part of the land trust, and they accept the baton and carry on. If anything, I feel a legacy of gratitude. We're paying it back and paying it forward. It's a cycle of perpetuity that makes me feel kind of small.

I think as long as the work is accomplished and it progresses, the best thing people could remember about me is that I didn't drop the ball. I'm much more concerned that I be remembered as a good husband, a good father and a good citizen.

Linus Eukel Profile

Position: Executive director, John Muir Land Trust

Work history: 15 years with the land trust; preceded by an opera career performing with, among others, the San Francisco Opera, Cincinnati Opera, New York Symphony and the Cabrillo Festival.

Age: 63
Residence: Moraga
Education: UC Berkeley; graduate school at the University of New York
Family: Married to Stephanie, with one daughter, Olivia

Five things about Linus Eukel

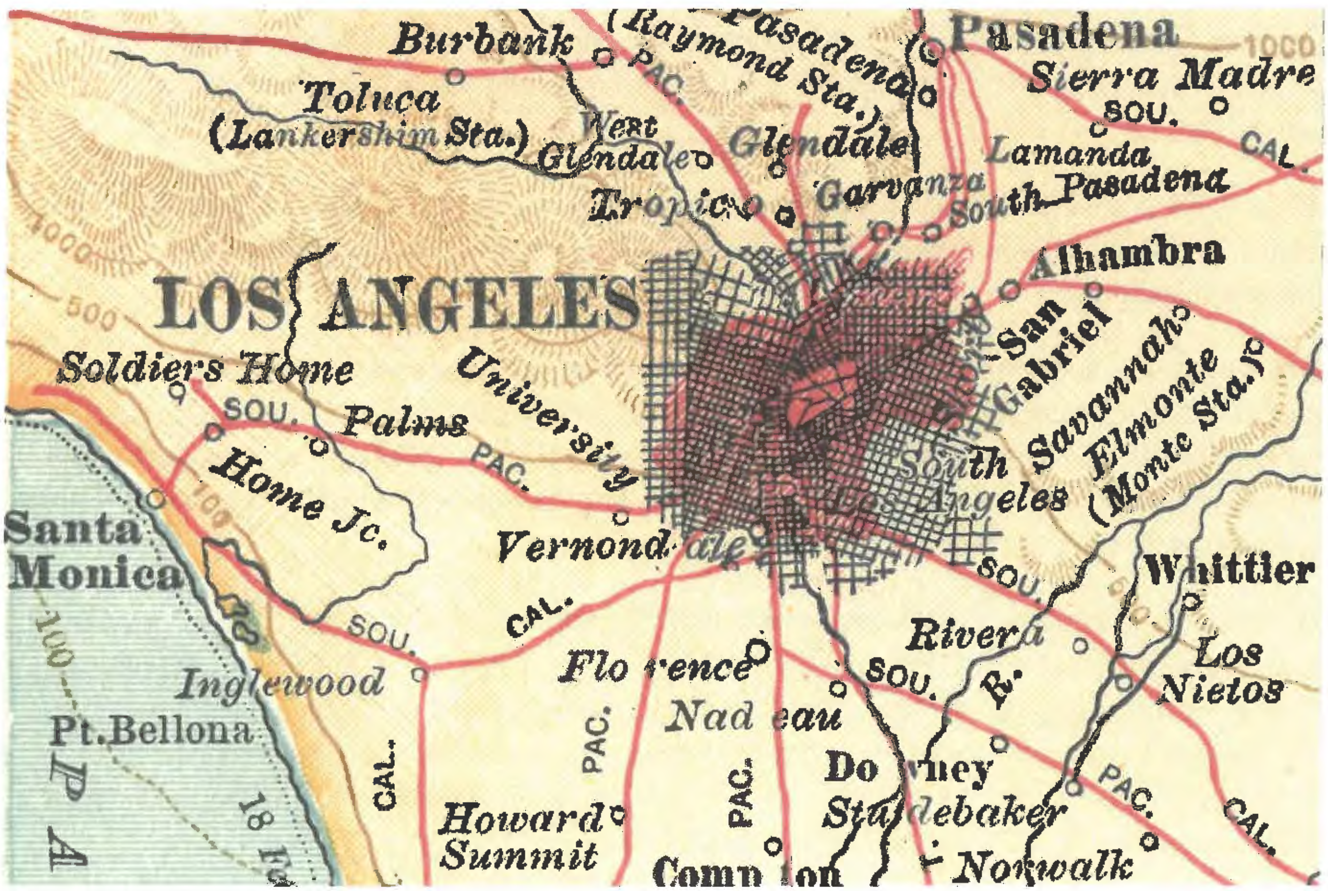
1. He and his daughter were both born at Kaiser Walnut Creek
2. Was greatly influenced by his parents' insistence that we all be good citizens
3. Met his future wife when they both were cast in a production of the operetta "The Student Prince;" the love scenes sealed the deal
4. Sings tenor
5. Doesn't run, jog or mountain bike, but instead enjoys long, leisurely walks in nature, taking time to enjoy the views

Why California's Weakest Local Governments Should Not Survive COVID-19

zocalopublicsquare.org/2020/05/05/joe-mathews-local-government-school-boards/ideas/connecting-california/

May 5, 2020

ZÓCALO PUBLIC SQUARE



Map of Los Angeles, California, circa 1900, from the 10th edition of Encyclopaedia Britannica. Courtesy of the Encyclopaedia Britannica.

by Joe Mathews | May 5, 2020

California is finally getting the local government apocalypse it has long needed.

And, thankfully, it's going to be even worse than I had hoped.

COVID-19 only deepens this dysfunctional dynamic. Our local governments lack the resources or expertise to decide how to respond to the crisis by themselves; Sacramento makes the big decisions. And with financial support slow in arriving from the federal government, local governments are already cutting services and laying off employees. Local bankruptcies of cities, and state takeovers of school districts, are now on the horizon.

In all this pain lies great possibility. The local apocalypse is so big and that every local government may need a bailout to survive. But there are simply too many governments, and too little money, to save them all. In this moment, we need two enormous changes in the nature of our local governments.

First, we will need to have fewer of them—that's the extinction for which I pined. Second, we must make remaining local governments more powerful and resilient, so they can give us more in good times, and hold up in future crises.

To do these two things requires confronting a great California curse. Yes, we have the economy, size, and population of a large nation—we'd be the 35th most populous on Earth if we were independent (something Governor Gavin Newsom's highly publicized brag that California is a "nation-state" acknowledges, in a backward way). But because we're a state within a larger country, we don't have our own regional governments—our own states—like real nations do.

We should. Our regions—the North State, the Bay Area, the Central Coast, Sacramento's Capitol Region, the San Joaquin Valley, the Inland Empire, greater Los Angeles, and greater San Diego—have the size and character of American states. And in our daily lives, we Californians are really citizens of those regions. Our economies are regional, our sports teams have regional fan bases—and our biggest problems are regional. But, unfortunately, instead of having powerful regional governments, we're split up into tiny shards of local governments instead.

Let's fix that, by allowing California citizens to establish regional councils—an idea first suggested by California's constitutional revision commission in 1996. These regional councils could form plans to consolidate our local governments and build real power.

My home county of Los Angeles, with 88 cities, is ripe for this. Do we really need both an El Monte and a South El Monte, a Covina and a West Covina, a Pasadena and a South Pasadena? Artesia, Cerritos, and Hawaiian Gardens already share one school district—why not a City Hall, perhaps with Lakewood and Norwalk as well?

To avoid having newly combined cities become larger versions of our current local weaklings, consolidation must be accompanied by restoring local government power—above all, the power for local officials to tax whatever they like. Local governments would then have control over their fiscal destinies, and could provide better services and more stable employment. In each region, local governments should jointly enact taxes to address regional concerns like transportation, public health, economic development—and disaster preparation.

More powerful local governments would be more democratic and accountable. Watchdogs are more likely to emerge when governments have more power to reach into our wallets. These newly consolidated governments also could more easily eliminate of outdated programs, and produce more responsive, technology-based systems for providing services.

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"We continue to provide [government services] without adequately re-examining their fit for the world we live in today," former Santa Monica city manager Rick Cole recently told the *Planning Report*. "If we were starting from scratch today, we would design a government that looked more like the iPhone than the rotary phone."

One blessing of this terrible pandemic is that we can redesign our nation-state. The politics are more favorable, too. The statewide interests that protect centralized state power—our labor unions and corporations—are also reeling from the effects of COVID-19. Any bailouts for them should be conditioned on their support for empowering local government.

The local apocalypse is here—whether we wanted it or not. Let's make the most of it.

Sonoma West Times & News

Palm Drive board debates the need for speed

- By Laura Hagar Rush, Sonoma West Editor, laura@sonomawest.com
- May 5, 2020 Updated May 6, 2020

Palm Drive is under the gun to dissolve the district soon or be forced to pay between $75,000 and $125,000 to participate in the next election.

The main point of contention at the Palm Drive Health Care District board meeting on Monday, May 5, was whether the district could dissolve in time to avoid having to pay tens of thousands of dollars for a board election in November.

According to Sonoma County Registrar of Voters Deva Marie Proto, “The estimated costs for Palm Drive to hold an election in November would be $74,796 to $124,660.”

That’s quite a sum to pay for an election for a district that is now scheduled to be dissolved at the end of the October, days before the scheduled election is due to take place.

There are three district board seats up for grabs — seats currently held by Eira Klich-Heartt, Gail Thomas and Randy Coffman — and it seems to be the opinion of the health district’s attorneys that the district is going to have to shell out for this election even though it’s likely that none of those elected will ever serve on the board or, if they do, it will be for a very short time.

“It’s not just the bylaws that require you to have an election,” said attorney William Arnone. “There's a whole structure of California Code sections that also compel you to have an election: the code sections under which the district was formed and the code sections that apply to elected government officials also require that you have an election.”

The county stalls

Although opponents of the Palm Drive Health Care District have long accused the district’s board of dragging its feet with regard to dissolution, this time it’s the county of Sonoma — which will be taking over the district’s assets and debts — that has called for the delay.

The health district was initially scheduled to dissolve by mid-July, but in March, Sonoma County Auditor-Controller-Treasurer-Tax Collector Erick Roeser wrote to the district to inform them that, because of the pandemic, the county wouldn’t have the bandwidth to deal with Palm Drive until fall.

Roeser told Sonoma West, “Dissolution is a multi-county department effort and will take significant coordination. The initial request and timeline for dissolution would have been challenging under ideal circumstances. Unfortunately, the request came at the start of the COVID-19 emergency and several county departments that have a role in winding up the affairs of the district are currently responding to the COVID-19 emergency. As a result, it is necessary to push back the initial dissolution timeline approximately three months.”

Which puts the district smack into the election season.

Looking for a way out

A couple of ideas were floated about how the district might avoid this fate.

Board member Coffman suggested that the district simply wash their hands of the matter by dissolving unilaterally.

“What if the board determines that we're just going to dissolve, period, before the election,” he suggested.

Sonoma County Local Agency Formation Commission (LAFCO) director Mark Bramfitt had said at a previous meeting that the only other dissolution he’d overseen involved a board that did just that — refused to meet — which forced LAFCO, the agency that oversees special districts, to dissolve the district on its own.

Board chair Dennis Colthurst rejected that idea. “Randy, I totally agree with you that we don't want to spend money where it’s not necessary, but I also believe that we have to take measured steps with counsel to make sure we do this clean and transparently … We have business to complete. I think it's our duty and our responsibility to the majority of the members of our district to do a neat and clean exit.”

Richard Power, who campaigned on a platform of dissolving the district, suggested that the district try its best to meet the original deadline for dissolution by submitting its dissolution application to LAFCO, with or without county approval.

“I would much rather give that money,”— the $74,796 to $124,660 for the election— “to the Gravenstein Health Action Chapter rather than run this election out, and I think that's a real incentive to get this thing done by the end of next month.”

Rich joins Dissolution Taskforce

In pursuit of this goal, the board also appointed attorney and former director of the Sebastopol Community Center Diane Rich to the district’s dissolution taskforce, which now has three members: Rich, Power and Thomas.

Former board member Jim Horn also offered his services for the dissolution taskforce — he’s part of a group petitioning to dissolve the district. Horn also offered up a draft dissolution application. Both offers were met by the board with a distinct lack of enthusiasm.

Power ended the evening by urging the board to move with alacrity to wrap up the district’s affairs early to avoid having to pay for the election — and it wasn’t just about the money, he said. He warned that if an election took place in November, there were candidates in waiting who’d take the board in a direction current board members would find very unpleasant indeed.

Blackhawk: Measure Z police services tax maintains lead as more ballots counted

Jeremy Walsh

The proposed police services parcel tax increase in Blackhawk remains steadily in the lead as Contra Costa County election officials continue to tabulate results from last Tuesday's special election.

As of Friday's results update, Measure Z had 73.44% of the voters in favor (1,681 votes), compared to 26.56% in opposition (608 votes). The tax measure needs approval from more than two-thirds of ballots in order to pass.

Those are actually the same as the percentages reported by the Registrar of Voters' Office on Election Night (73.44% Yes; 26.56% No), although 139 additional ballots were counted in the interim.

Measure Z was a special election conducted by mail-in ballot only, with ballots due to the post office or drop box by last Tuesday. Ballots postmarked by Tuesday and received by the county no later than Friday were considered eligible.

Election officials expect to have the final results certified by this Thursday.

Thus far, voter turnout is reported as 51.89% of the 4,421 registered voters in Blackhawk.

Measure Z seeks to raise the existing tax rate for police services in Blackhawk -- which are provided via the Contra Costa County Sheriff's Office -- to $395 per parcel for residential property (single and multi-family), $2,370 per parcel for commercial/industrial/institutional property, and $11,852 per parcel for commercial/theater property in the first year.

It would also include increasing the tax by a flat rate of 3% per year to keep up with police-related expenses after that.

Supporters of Measure Z argued that without the tax increase, Blackhawk would lose one of its four designated officers immediately as well as another within four years, leaving the area with two officers.

No formal opposition argument against Measure Z was filed with the Registrar of Voters' Office for inclusion in the voter guide.

Public CEO.com Newsletter

Local governments must plan without delay for post-pandemic fiscal realities

By David S. Kupetz, J.D. and Frank V. Zerunyan, J.D.

May 11, 2020

The COVID-19 pandemic continues to devastate the national and global economies. The economic impact from the pandemic will disrupt California's fiscal condition and harm local government revenues this year and, potentially, for years into the future. In a letter addressed to the California Legislature, the State's Director of Finance predicts a recession and "significant negative effects on state revenues."

Most municipalities predominantly depend on sales tax, property tax, transient occupancy tax, documentary transfer tax, gas tax, parking user's tax as well as licenses, permits, and fees. Politico, in a recent article, estimates the loss from these sources due to the pandemic to be about $7 billion in revenue shortfalls for California local governments over the next two fiscal years, assuming the "stay at home orders" are lifted by June 1. The article warns that this estimate can grow exponentially should the "stay at home orders" last through the summer and beyond.

The market is another critical indicator of vulnerabilities for state and local governments. Any new economic downturn may particularly exacerbate the vulnerability of California's already challenged pension system. California's Legislative Analyst's Office (LAO) estimates the State's unfunded pension liabilities to be a total of 93.1 billion ($59.7 billion at CalPERS and $33.4 billion at CalSTRS). Adding retiree health unfunded liabilities to this figure increases the total to nearly $200 billion. These are significant unfunded liabilities, which continue to grow due to changing market assumptions. Even before COVID-19, these organizations decreased their rate of return by .5%. If markets further constrict, local government budgets will have to fill the gap.

There were already many local governmental entities facing significant financial challenges pre-pandemic. As identified by the California State Auditor and spotlighted on the Auditor's website, some of these pre-existing problems plaguing various municipalities include insufficient liquidity, excessive debt burdens, inadequate reserves, declining revenues, and unsustainable employee retirement and health care obligations. These problems existed during a sustained period of economic expansion. With the onset of a recession, without proactive action, many local public entities will be hammered by reduced revenue collections coupled with escalating pension and healthcare expenses.

The California League of Cities developed a study surveying its member cities in California. Roughly 170 cities responded to the survey reporting that by 2024 they will spend an average of 15.8 percent of their general fund on pensions. About 10 percent of the cities anticipated spending more than 21 percent of their general fund. All these predictions were before COVID-19. These unfunded liabilities do not include California's bonded debt.

The "silver tsunami" in the state and the decreasing birth rates pose demographic challenges to these systems by increasing the number of retirees and decreasing the number of active workers to pay for higher pension costs. Stay at home orders for California's most productive age workers further exacerbates the problem. A recent study by MIT scholars, published in the National Bureau of Economic Research Journal, quantifies this in terms of national GDP and proposes better social and economic outcomes with more "targeted policies." Half of the State's employer contributions to these state retirement systems come from local governments; therefore, California's local governments are particularly affected by demographic shifts, effective workforce, current volatility in costs and investment returns.

The consequences of the pandemic make it imperative that California's local governments, with limited tools to raise revenues or limited capacity to spend (constrained by the "debt limit" under Article XVI, Section 18 of the California Constitution and Proposition 4 "Gann Limit"), immediately focus on economic policy for the general public good. Local governments must tap existing state and federal recovery resources, which will most likely not be sufficient to close the gap. They must engage their unions, bondholders, retiree representative, CalPERS, financial institutions, service providers, plaintiffs in lawsuits, creditors, and other stakeholders. This engagement must focus on interests, must be collaborative to achieve a win/win negotiation frame to deliver local governments' paramount mission of serving the public, especially in more vulnerable and underserved communities. Traditional competitive negotiation frameworks in these difficult times will only mean devastation for the public that local governments serve. A local government has a substantial chance of being subjected to a crisis by failing to agree. This fragility requires a different frame than the usual competition, self-interest, and political blame.

Local governments must develop policies and implement them to deal with unprecedented circumstances. Most likely, a vaccine is 12-18 months away. Negative impacts on sales taxes, hotel taxes, user fees, and other municipal revenue sources are certain. Moreover, with a recession probably already having been triggered, and considerable uncertainty regarding the timing of recovery, future years' property taxes are also likely to be negatively impacted.

Immediate actions are needed by local governments to protect reserves, maintain essential services, and retain their workforce intact to the extent feasible. Without early and immediate action, many local governments will soon approach insolvency and then rapidly find that they are unable to pay debts when they come due. In this scenario, local governments may be unable to repay internal borrowings before the end of the year. While financial officers generally have immunity from personal liability, this protection disappears when there are known violations of the law. Moreover, local government officials cannot allow employees to come to work if they know the municipality will be unable to pay them.

Municipal officials must recognize that fund balances do not necessarily equate to available cash. The accuracy of underlying data (existing financial, budget information, audits, and other available material) is critical. The fundamental cash flow analysis is only as good as the underlying data and assumptions. City managers and treasurers must examine the danger of structural deficits burning through reserves.

The extent of federal and state assistance accessible for local governments is an ongoing issue. As of now, the municipal bond market has essentially frozen. For local governments that do not currently have a bank line of credit, obtaining one now may be difficult. Short-term borrowings may be possible through notes in anticipation of tax or other revenues (TRANs, RANs), or by internal borrowing from pooled cash. In both cases, the impact of COVID-19 on revenues may impede or limit these potential short-term fixes.

The pathway forward requires that local governments:

- Evaluate significant sources of revenue and expense categories to understand vulnerabilities (another factor to consider is the unemployment rate);
- Pinpoint major revenue streams at risk, identify anticipated timing of impacts, discuss available options, and focus on cash collections;
- Consider effects on General Fund (reduction of sales tax, TOT, impact fees, and facility usage, the potential reduction in assessed values, and likely CalPERS losses and increases in future unfunded liabilities), Enterprise Funds (reduction in commercial usage, no shut-off enforcement, decrease in new connections, "stay-at-home" orders and reduction in usage fees, and Successor Agencies (potential decrease in assessed value and reduction of future tax increment);
- Build consensus within governing council, commission, or board that early action is a necessity, not a choice;
- Initiate discussions with labor unions and other key creditor stakeholders, including opening the books and recognizing the impact on revenues during the pandemic and in the post-pandemic era; and
- Determine how to provide first-response services in the event of inability to fund staffing.

Upon establishing policy, identifying potential impacts, and meeting with labor groups and other key creditor groups (if any), local governments should be prepared to take early action, including:

- Placing contracts not critical to the government's mission on hold;
- Reducing capital spending;
- Having local businesses jump in to cover the gaps in services where possible and economic; and,
- Reducing personnel costs, such as by eliminating leave cash-outs, placing planned wage increases on hold, and considering implementing furloughs and, as a final resort, layoffs of non-essential positions.

Local public entities facing severe financial straits must explore, debt restructuring, moratoriums, and adjustment as potential solutions. Such exploration takes place in the shadow of the resolution of last resort: Chapter 9 of the Bankruptcy Code. However, the initial focus should be on accomplishing the necessary restructuring outside of court. As part of attempting to successfully negotiate, resolve issues, and achieve an out-of-court restructuring, local governments must:

1. as discussed above, evaluate cash flow, finances, and availability of unrestricted funds and develop financial and operational plans;
2. commence discussions with key stakeholders (the reality of a potential Chapter 9 filing encourages negotiation and creates leverage for an agreement);
3. prepare the outlines of a possible Chapter 9 plan of debt adjustment or term sheet (to help facilitate negotiations and make use of the leverage); and
4. retain experienced professionals to provide guidance and representation.

Under constitutionally framed police powers, local governments may use fiscal emergency declarations constructively. The Contracts Clause under the U.S. and State constitutions ordinarily precludes contract impairment. However, the Contracts Clause does not bar a state or municipality from enacting its legislation impairing municipal contracts if required by a financial emergency.

The four factors required for legislative impairment of contracts include:

1. There must be an actual emergency from which the contract modification arises.
2. There must be a public interest at stake.
3. The modification must be tailored to the emergency.
4. The modification must be temporary and limited to the extent necessary to address the crisis.

The U.S. Supreme Court has said that a contract impairment may be constitutional if it is reasonable and necessary to serve an essential public purpose.

Local governments can constructively use a fiscal emergency declaration to commence, promote, and positively leverage negotiations with labor and other key stakeholders. However, any non-consensual modifications that arise out of a fiscal emergency declaration are temporary and, therefore, would not address long-term systemic problems such as unsustainable pension and retiree health care obligations.

Chapter 9 provides a framework for eligible governmental entities to restructure debt. While Chapter 9 is federal law, state law governs the gateway to Chapter 9. For example, California law (AB 506) requires municipal debtors to engage in “neutral evaluation” (mediation) before being eligible to file for Chapter 9, except in the case of a declared statutory fiscal emergency under AB 506. The likelihood that payment and other obligations will be suspended during the chapter 9 case and reduced and/or modified under a Chapter 9 plan can create significant leverage that can lead to negotiated changes that may be adequate to allow the local public entity to avoid Chapter 9.

The mediation process allows “confidential” negotiations out of court and within the exceptions of Brown Act. It provides a format for attempting to shape perceptions of liquidity and feasibility of go-forward plans. If an agreement is reached with some or all key creditors, Chapter 9 may be avoided or made more efficient if still necessary. AB 506 was enacted after the Chapter 9 filing of Vallejo, and Stockton first used the mediation process before its Chapter 9 filing. In contrast, San Bernardino discovered it was out of cash, could not negotiate with creditors, declared a fiscal emergency, and entered Chapter 9. Unlike in Chapter 9, there is no automatic stay of litigation or other creditor action as part of the AB 506 process and, accordingly, where an immediate stay is needed, the mediation process will not be a viable option.

Chapter 9 is designed to enable a municipality that is unable to pay its debts as they come due to continuing to provide essential services to residents while working out a plan to adjust its obligations. To avoid disruption of necessary services, Chapter 9 facilitates the continuance of insolvent municipalities rather than their dissolution. Not unlike Chapter 11 bankruptcy reorganization for non-governmental entities, two primary benefits of a Chapter 9 filing are (1) breathing spell imposed by the automatic stay, and (2) the ability to adjust creditors' claims through the planning process.

To avoid the point of a fiscal emergency post COVID-19, and to address their budgetary challenges, local public entities must act proactively. If a proactive approach is not taken in time or is not sufficient, it may become necessary for a local public entity to engage in debt restructuring. Debt restructuring should be conducted outside of court if possible, with Chapter 9 lurking in the shadows and only entered as a last resort. Most importantly, in these times of fiscal distress, local governments must govern. Governance requires a different mindset with collaborative efforts to search for the common good.

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https://danvillesanramon.com/news/print/2020/05/12/save-mount-diablo-acquires-2873-acre-smith-canyon-property?utm_source=express-2020-05-13&utm_medium=email&utm_campaign=express

Uploaded: Tue, May 12, 2020, 5:58 pm

Save Mount Diablo acquires 28.73-acre Smith Canyon property

Officials say land acts a s a vital carbon sink

by Ryan J. Degan

Local environmental conservation group Save Mount Diablo continues to expand its listing of protected lands, and has most recently become the proud new owner of the strategically located 28.73-acre Smith Canyon property.

Located just east of Clayton, Save Mount Diablo officials say Smith Canyon provides legal and practical access from a public road to Save Mount Diablo's conserved 1,080.53-acre Curry Canyon Ranch as well as Mount Diablo State Park from Morgan Territory Road.

"The Smith Canyon property is an incredible recreational gateway to the magical Curry Canyon on the east side of Mount Diablo," Ted Clement, Save Mount DIablo's Executive Director, said in a statement. "But what also strikes me about the property is that it has great potential as a beautiful stand-alone preserve by itself."

"How often do you get to save an entire canyon," added Seth Adams, Save Mount Diablo's Land Conservation Director. "Smith Canyon is lovely. It's one main lushly wooded stream canyon with several smaller drainages rising to ridges on either side and toward a small peak on our neighboring Curry Canyon Ranch."

The land is contiguous with Save Mount Diablo's conserved Curry Canyon Ranch, and according to Save Mount Diablo officials, its conservation "adds to the important corridor of conserved lands in the Mount Diablo area, which is critical for wildlife and water resources."

In addition to providing additional access to Save Mount Diablo's numerous protected areas, officials added that the area is populated with a wide variety of natural animal and plant life worth conserving.

According to Save Mount Diablo Smith Canyon's diverse landscapes include blue oak woodlands, grasslands and a live oak-bay riparian corridor. The land is also home to the California red-legged frog and the Alameda Whipsnake -- two species considered vulnerable and endangered respectively, due to loss of habitat among other issues.

The oak woodland, oak savanna, and grasslands on the property also serve as a carbon sink, which the United Nations Intergovernmental Panel on Climate Change has said is a critical part of the solution to climate change.

"Land conservation mitigates against climate change in lasting ways. For example, forests and other undeveloped lands absorb greenhouse gases, thereby acting as carbon sinks, keeping those gases out of the atmosphere," Save Mount Diablo officials said.

Furthermore, conservation officials say the land also affords beautiful scenic vistas to passersby on the public Morgan Territory Road.

"Despite limited rain this spring, it's bright green and wildflowers are appearing everywhere. There were several approved subdivisions on the property that luckily never took place, but the large building pads show how threatened it has been. Its purchase is another piece in our Curry Canyon puzzle and ends that threat forever," Adams said.

Smith Canyon is one of several properties Save Mount Diablo is raising funds to protect through its Forever Wild Capital Campaign, which seeks to raise $15 million in order to provide the group the resources necessary to purchase and adequately steward the land.

To date, just over $13 million has been raised for the campaign, which has enabled Save Mount Diablo to do strategic land acquisition projects, like its Curry Canyon Ranch and North Peak Ranch projects, and helped build a sizable permanent Stewardship Endowment Fund for the ongoing care of protected lands.

"We're looking for angels," said Karen Ferriere, SMD's Development Director, about the need to raise the $650,000 purchase price and replenish the acquisition funds that were used to cover the real estate closing, "and talking to everyone we can."

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Fire district ambulance revenue plummets since onset of pandemic

By Nick Marnell

In March and April, the Moraga-Orinda Fire District saw such a steep decline in hospital transports that the district lowered its ambulance revenue forecast by nearly $400,000 for this fiscal year.

It is unclear how long the dearth in ambulance demand will continue. According to Battalion Chief Jerry Lee, with people staying home since the onset of COVID-19 there is less potential for injuries, and with not as many people on the roads there have been fewer traffic accidents. Patients have used alternative methods for their health care evaluation, such as a Zoom consultation, instead of visiting the doctor.

"People don't want to go to the hospital because hospitals are generally viewed as having a higher potential for COVID-19 exposure," Lee said.

MOFD ran 1,605 ambulance transports in 2018 and 1,554 in 2019, nearly all to either John Muir Medical Center or Kaiser Permanente in Walnut Creek. In March the district transported patients to hospitals 111 times, and in April, 60 times - far below its 133 monthly average. The district is preparing for the steep drop in transports to continue, as it projects a decrease in ambulance revenue from $1.3 million this year to $500,000 next year.

"If that's all we're going to get, that will be a tough pill to swallow," Director John Jex said. "If we were a commercial ambulance operation we'd be bankrupt."

Fire Chief Dave Winnacker listed options for higher ambulance revenue. Increase the rates, which recently occurred. Add fees, such as a facilities fee to institutional users. Or require payments for patient transport beyond district reimbursement levels.

MOFD charges $2,300 for an ambulance transport but its reimbursement rates come nowhere near that figure. Medicare payments range from $350 to $800, Medi-Cal payments are somewhat lower and reimbursements from private insurers widely vary. Anything higher than the district reimbursement rate is forgiven for district residents.

Should the district stop writing off ambulance charges in excess of its reimbursement rates, "That would result in district residents receiving a significant bill for transport from an MOFD ambulance," Winnacker said.

"We need to take a hard look at those numbers and really address a change," Jex said.

Reach the reporter at: nick@lamorindaweekly.com

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Sonoma West Times & News

Palm Drive board approves resolution to dissolve by July 1

- By Laura Hagar Rush, Sonoma West Editor, laura@sonomawest.com
- May 13, 2020 Updated May 13, 2020

The Palm Drive Health Care District will dissolve by July 1.

In a special meeting on Tuesday, May 12, the Palm Drive Health District board voted unanimously in favor of a resolution to dissolve the health care district by July 1. They will now submit their dissolution application to LAFCO (Local Agency Formation Commission), which oversees the creation and dissolution of special districts. LAFCO is expected to unanimously approve the dissolution.

It was a victory for the district's opponents, who had long sought the dissolution of troubled district.

"The resolution is very simple and straightforward," said Jim Horn, a former Palm Drive board member who began a petition this year to force the dissolution of the district. "This is exactly what Mark Bramfitt (at LAFCO) has been telling them for the last three months. The county is going to take over … and the dissolution is effective July 1. And that's exactly what we've been we've been looking for since February."

What's behind the board's sudden push to dissolve? As of last week's board meeting, the district's lawyers were telling the board to settle in for a long, slow process of dissolution that could run into 2021.

"Well, what caused it was the fact that we were told that we're going to have to spend somewhere between $75,000 to $125,000 for an election in November for positions that won't even exist. So, we were trying to save that money and figured out an alternative route," said Palm Drive Health Care District board member Richard Power, who as a candidate ran on a platform of dissolving the district.

Power, board member Gail Thomas and attorney Diana Rich are members of the district's dissolution taskforce. They will continue meeting to hammer out the details of the dissolution. Power expects the full board will meet several more times as well before dissolving.

The dissolution of the district will have no effect on Sonoma Specialty Hospital (the former Palm Drive Hospital), which is now a long-term acute care facility owned by a private company, AAMG, which was purchased the hospital from the health care district in 2019.

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MOFD board declines to fully staff ambulance in downtown Orinda

By Nick Marnell

Photo courtesy MOFD

A split Moraga-Orinda Fire District board rejected a staffing model that would have placed a fully staffed ambulance at Fire Station 45 in Orinda, instead voting to maintain the cross-staffing model in use since 2013.

Station 41 in Moraga and Station 45 deploy both an ambulance and a fire engine on site. Station 41 fully staffs each vehicle, with a crew of three on the engine and a two-person crew for Medic 41.

It doesn't work that way at Station 45. The station maintains only a three-person crew which responds on either the engine of the ambulance, whichever is dispatched. When Medic 45 is off to a medical call, Engine 45 sits idle at the station.

According to a district staff report, when Medic 45 is out of the district, a call for service in Station 45's coverage area requires a response from either Engine 43 or Truck 44, which can result in extended response times as those units travel farther to the scene of the incident.

"I truly do not understand why we would not have staff personnel at Station 45 at all times," said Director Greg Baitx, who at the April 29 district meeting made the motion to fully staff the Orinda ambulance.

From 2007 until 2013, the ambulance at Station 45 was fully staffed. Then came the financial crisis, and the district reverted to the cross-staff model. "When our financial situation improved, those positions were to be restored," President Steven Danziger said.

But they weren't, despite the district's securing a federal grant for that purpose. Instead, the district used the grant money for floaters to cover sick days and vacation relief, permitted uses of the federal funds.

To fully staff Medic 45, the district would have to hire six additional personnel at a cost of $1.44 million per year, or MOFD could cover the ambulance with increased overtime of approximately $1 million.

Danziger and Director Michael Donner have long pushed for the fully staffed Orinda ambulance, but at the district meeting, their support waned, largely because of the unknown financial impact of the coronavirus pandemic. "I don't think it would be prudent for us to increase staffing now," Donner said.

"I intended to fully support increased staffing, but right now I feel it would not be responsible to direct the chief to do it," Danziger said. "In my heart, I want to do it, and if things were different I'd be right there with Director Baitx."

The motion to fully staff Medic 45 was rejected by the board 3-1, with Baitx voting yes and Danziger abstaining.

Reach the reporter at: nick@lamorindaweekly.com

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East Bay Times

Developer warns Lafayette not to deny 315-unit Terraces housing project

Lawyer says city 'must approve' plan under new state laws, threatened high legal costs previously

The proposed 22-acre site for the Terraces of Lafayette, a 315-apartment complex is photographed in Lafayette, Calif., on Thursday, Aug. 22, 2019. (Anda Chu/Bay Area News Group)

By Jon Kawamoto | jkawamoto@bayareanewsgroup.com | Bay Area News Group
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LAFAYETTE — The developer of a contentious 315-unit apartment project has sent the city a letter warning that officials "must approve" the proposed Terraces of Lafayette housing development to avoid legal consequences.

Bryan Wenter, an attorney for developer O'Brien Homes of Menlo Park, notes in the May 14 letter that the project complies with the state's Housing Accountability Act. An amendment to the act known as SB 35 tempers local control of developments with affordable housing components, significantly easing the path for their approval. Terraces of Lafayette would designate 20% of the units — a total of 63 — as affordable.

Although the letter doesn't specify the amount of potential legal costs that could be incurred if O'Brien Homes sues should its proposal be denied, Wenter warned in a December 2018 letter that "costs to the city could be overwhelming." In a 20-page report prepared for the Lafayette Planning Commission's Monday review of the project, city staff also referred to legal costs, which they noted could exceed $15 million.

Wenter's May 14 letter to Lafayette Planning Director Greg Wolff and Planning Commission Chair Kristina Strum asserts that a case for denying the project under the Housing Affordability Act's criteria "cannot be made and the city must approve" the project. He added that the city's zoning policies, including the hillside development ordinance, "are legally irrelevant" because recent amendments to the act closed zoning loopholes.

In recommending approval of the Terraces apartments, city staff said the project is well-designed to "develop a safe and efficient circulation system that respects Lafayette's quality of life and community character and is consistent with other city goals."

The staff report concluded the Terraces project would encourage "development of diverse housing types and additional affordable housing" and acknowledged that it is "very difficult and fraught with risk for local municipalities to exercise their typical, discretionary land-use authority to deny such projects."

But Michael Griffiths, the president of grass-roots residents group Save Lafayette, suggested in an email statement that the city shouldn't be swayed by legal fees.

"Surely residents should absolutely expect the Planning Commission to honor its obligation to judge the Terraces application purely on its technical merits and to be independent of any potential legal costs," he wrote.

Griffiths contended that Lafayette would be exposed to large legal penalties only if it "fails to follow through in a prescribed time frame after the application is resolved." He said if Lafayette meets its deadlines in a court case, "the only cost the city faces is that of legally debating the merits of the application. … The city has multiple strong legal bases for rejecting the application, even though neither the city nor the developer has provided sufficient research in other key areas."

Save Lafayette has long opposed the Terraces housing plan, first proposed in 2011. It sued the city in 2016, effectively putting the project in limbo until a state appellate court ruled that Lafayette erred in not allowing voters to decide on proposed zoning changes to the project. The city and developer came up with a compromise plan of 44 houses on the 22-acre site off Deer Hill and Pleasant Hill roads that was placed on the June 2018 ballot as Measure L, but voters rejected it. O'Brien Homes immediately revived its original 315-unit apartment plan, and SB 35 had also been enacted in September 2017, giving the developer more leverage.

The Californian

SDCRFA split gets support

By
Joe Naiman
- 05/15/2020

San Diego County's Local Agency Formation Commission will begin the process of making the San Diego County Regional Fire Authority a separate fire protection district.

An 8-0 LAFCO board vote May 4 approved a sphere of influence update for County Service Area No. 135 including support for a recommendation that the SDCRFA be separated from the San Diego County Regional Communications System.

"CSA 135 merits reorganization to split the district into two distinct entities," said LAFCO executive officer Keene Simonds.

"We've given direction for the county to come back with an application and we're incentivizing that application by waiving the fee," Simonds said. "We will work as quickly as possible in processing it."

The San Diego County Board of Supervisors and LAFCO created the San Diego County Regional Fire Authority in 2008. CSA No. 135 covers the entire unincorporated area of the county as well as several incorporated cities who have joined the 800 MHz communications system which allows emergency and public safety agencies to communicate with one another. The 2008 decision to authorize latent powers for fire protection and emergency medical services within a zone of CSA No. 135 allowed the SDCRFA to be created without the process of forming a new district.

"What they did in '08 made sense at the time," Simonds said.

The creation brought territory not within the boundaries of a public agency but served by a volunteer fire department into the San Diego County Regional Fire Authority. In 2011 five county service areas responsible for fire protection and emergency medical services were consolidated into the SDCRFA.

The first fire protection districts to be dissolved and added to the SDCRFA boundaries were the Pine Valley and San Diego Rural districts, whose addition to the SDCRFA was approved in 2015. The Julian-Cuyamaca Fire Protection District board supported a consolidation and despite some public opposition that area became part of the SDCRFA in 2019. Last year's actions also included removing the fire protection and emergency medical services latent powers from the Mootamai, Pauma, and Yuima water districts in Pauma Valley and making those areas part of the SDCRFA.

“This has been a twelve-year process,” Simonds said.

A sphere of influence study determines the boundaries best served by a particular agency. It is a prerequisite to any jurisdictional change other than an annexation of land within the existing sphere of influence, and LAFCO also conducts periodic sphere of influence updates for all cities and special districts. The sphere of influence study for CSA No. 135 was based on the periodic update calendar rather than on any annexation proposal.

“I think the fire protection district model is a good and appropriate next step,” Simonds said.

“It’s like the Fire Authority growing up and finally becoming of age,” said county supervisor Dianne Jacob, who is also the chair of the LAFCO board.

A fire protection district may include portions or even the entirety of an incorporated city, so if a city wishes to contract with the SDCRFA the regional agency could provide the coverage.

“The Fire Authority stands in strong support of the motion in front of you,” said SDCRFA fire chief Tony Mecham.

An application to consolidate into the SDCRFA would need support from the fire department’s board as well as the county. “Any decision to join the Fire Authority is a joint application of both parties,” Mecham said. “There is no takeover.”

The Board of Supervisors would be the governing body for the SDCRFA as well as for CSA No. 135. A county service area can have an advisory board with local residents (or first responders), and as part of the consolidation process for the Pine Valley and San Diego Rural districts the Board of Supervisors created the CSA No. 135 Fire Advisory Board in October 2014.

The process to create a separate district for the SDCRFA will begin with Board of Supervisors approval. LAFCO staff will then conduct an analysis including public outreach before docketing the proposal for a LAFCO board meeting.

“I don’t think at this point there will be any significant hiccups in that process,” Simonds said.

NOTICE OF PUBLIC HEARING

Byron Bethany Irrigation District and The West Side Irrigation District Consolidation (LAFC 30-19)

NOTICE IS HEREBY GIVEN that on Thursday, June 11, 2020, at 9:00 A.M. the San Joaquin Local Agency Formation Commission will hold a telephonically public hearing to consider the Byron Bethany Irrigation District and The West Side Irrigation District Consolidation. In accordance with the Governor's Executive Order N33-20, LAFCo has arranged for members of the public to observe and address the meeting telephonically. Please check with the LAFCo's website at www.sjgov.org/commission/lafco to obtain call-in information. This information will be available no later than 72 hours before the meeting.

Byron Bethany Irrigation District and The West Side Irrigation District have submitted an application to LAFCo to consolidate. The proposal is to combine the territory of TWSID with the territory of BBID, creating BBID as a single successor district. The Board of Directors of both districts approved a concurrent resolution for consolidation with the Terms and Conditions specified in the application. Byron Bethany Irrigation District consists of 29,477 acres with a service boundary that includes portions of San Joaquin, Alameda, and Contra Costa Counties. The West Side Irrigation District is located east and west of the City of Tracy and has a service boundary of approximately 6,590 acres.

If you have any questions or need more information, please call and leave a voice message on the LAFCo business phone at (209) 468-3198, email the Executive Officer at jglaser@sjgov.org, or visit our website at www.sjgov.org/commission/lafco.

BY ORDER OF THE SAN JOAQUIN
LOCAL AGENCY FORMATION COMMISSION
JAMES E. GLASER, Executive Officer

Dated: May 21, 2020

CCT/ATS #6484193; May 21, 2020

Marin Independent Journal

Marin Voice: It's time to rethink how government services are delivered

By Sashi Mcentee |
May 29, 2020 at 12:17 p.m.
Mill Valley Mayor Sashi McEntee (Alan Dep/Marin Independent Journal)

As a small-town mayor, I am acutely aware of how the shutdown of the economy is going to affect our budget and therefore our ability to deliver services to our residents.

In Marin County, we have 11 cities, 50 special districts, 22 joint-powers authorities, 16 school districts, and the county providing a variety of services to our community, and we will all face severe revenue shortfalls from the pandemic.

Coordination between government agencies is a significant problem, particularly when you add in the state and federal government, and there is not much of an incentive to fix that. That lack of coordination costs each agency money and staff time, and residents are left unsatisfied as agencies point fingers at each other.

But today is a different day. None of us have ever dealt with a disaster of this kind, and we don't know what the future holds.

We have an obligation to get back to basics. For a city, that means public safety, infrastructure, and quality of life services. We need to break down silos between cities, special districts and the county to design service delivery in a way that is efficient and best serves the community.

One way to do this is exploring shared services and consolidation. Corte Madera and Larkspur have led the way in creating joint police and fire agencies over the past few years.

There is an immense amount of innovation and creative discussion going on behind the scenes right now as we explore ways to collaborate effectively. The Marin Managers Association have been actively exploring ideas for sharing everything from corporation yard facilities to building inspectors, road striping crews, and permitting centers. In Mill Valley, we have an open dialogue with the Mill Valley School District on ways we can collaborate to benefit our shared constituents, which includes a joint meeting in the near future. We recently entered into a chief-sharing agreement with Southern Marin Fire District and are exploring shared police services with the City of Sausalito.

Each county in the state has a Local Agency Formation Commission, designed as the legislature's watchdog over efficient delivery of local government services. At Marin LAFCo, we are preparing a countywide fire services study and looking at other ways we can be a neutral convener of conversations between potential partner agencies.

The community also needs to be a part of the conversation, while we in government need to stay transparent and provide ample opportunity for scrutiny. We will have to decide as a community what services should be funded from general funds and what could potentially be funded from a public-private partnership. Mill Valley has a rich history of "Friends" groups that help fund library, recreation, and other programs we all enjoy.

Part of getting back to basics is making sure we are planning for the future so we can remain a going concern. CalPERS is seeing a drastically reduced rate of return, we can expect our pension obligations to increase further and we were already planning for a doubling of required PERS payment in the next few years. As we all draw down reserves, we need to leave some room for these increased obligations. This will affect the funds available for quality of life services. Mill Valley recently approved a 10-year long-range financial plan, and we will be updating it as the effects of the pandemic on our budgets are known.

It is going to get worse before it gets better. All of us will need to share in the pain as we adjust. Residents and labor alike will have to be open to new ways of doing business. But there is a tremendous upside.

Shared services will create opportunities for employee development and advancement, raising the level of service while improving retention. Cities will be able to stretch their budgets further and not have to cut essential services. By working together, both in government and in the private sector, we can build a new future on the bedrock of our shared community values.

Sashi McEntee is the mayor of Mill Valley and the chair of the Marin County Local Agency Formation Commission.

How global companies drive the home insurance crisis in California wildfire zones

BY DALE KASLER

January 20, 2020 04:22 AM

Read more here: https://www.sacbee.com/news/business/article239259628.html#storylink=cpy

California enjoyed a comparatively mild wildfire season in 2019, but it wasn't enough to save Bobbi Pimentel's homeowners' insurance policy.

Pimentel and her husband, who live in a rural area 30 miles east of Redding, got the dreaded notice in late November: Horace Mann Educators Corp., which has insured their property for 13 years, wouldn't renew their policy. Pimentel, who's still looking for new coverage, fears her premiums could triple, costing her thousands of dollars.

"I just don't understand how they can do that," said Pimentel, 77. "They don't mind taking our money but they're not covering anything." A company spokeswoman wouldn't discuss Pimentel's case but said Horace Mann has paid out $157 million in California wildfire claims since 2017.

The insurance crisis in California wildfire country is showing few signs of abating. Rural residents are losing coverage, rates are shooting up and experts say the problem defies easy remedies.

California's continuing woes can be traced in part to a collection of mostly foreign companies that have become increasingly nervous about the widespread havoc caused by the state's wildfires.

These companies sell reinsurance. That's insurance purchased by other insurance companies that are offloading some of the financial risks of a major catastrophe.

Reinsurance companies — unknown to most Californians, typically headquartered in such far-flung locales as Bermuda and Zurich — are a quiet but powerful force in the state's insurance market. The availability of reinsurance enables better-known primary carriers such as Farmers and State Farm to keep writing coverage in wooded foothill communities where wildfire danger lurks.

Now the relationship between reinsurance and primary carriers is beginning to fray. The wildfires of 2017 and 2018 caused $25 billion in damage. Billions in claims landed in the laps of reinsurance companies that had largely overlooked wildfires as major calamities.

Stunned by their losses, many reinsurance companies have begun scaling back their coverage in the state and jacking up the rates they charge the primary carriers. Not subject to rate regulation by the California Department of Insurance, some reinsurers are raising prices as much as 70 percent, according to a report last summer by market analyst S&P Global Ratings.

That, in turn, puts more pressure on the primary insurance companies. They have to get approval from the Department of Insurance to increase premium rates on homeowners. But the department won't include the cost of reinsurance in the rate-making calculations.

Caught in that regulatory bind, primary carriers have little choice but to reduce the number of policies they underwrite, said Rex Frazier of the Personal Insurance Federation of California.

"You have to (reduce) your risk profile to match your revenue," said Frazier, whose association lobbies for some of the major primary insurers.

Frazier said reinsurance companies used to gloss over wildfire dangers when selling coverage to his federation's members. Now they're scrutinizing wildfire risks like never before.

"It used to be, 'Tell me about your Florida hurricane risk.' Now it's, 'Please show me your modeled losses for your California wildfire risk,'" Frazier said.

Insurance companies have been dealing with plenty of high-cost disasters in the past few years. Large swaths of Australia are burning. Major worldwide catastrophes — from Hurricane Michael in Florida to Typhoon Jebi in Japan to the Camp Fire in Paradise — caused an estimated

$219 billion in damage in 2017 and 2018, according to Swiss Re Ltd., the world's largest reinsurance provider. It was the costliest two-year run of disasters ever recorded, the company said.

Some disasters are so destructive, they force the government to take the place of private insurance. The federal government sells flood insurance. Floridians buy hurricane insurance from a not-for-profit established by their Legislature.

And more than 1 million Californians get earthquake insurance from the not-for-profit California Earthquake Authority. It was created after the 1994 Northridge earthquake sparked a statewide insurance crisis. California law required homeowners' insurers to offer earthquake coverage. Rather than risk another Northridge — which caused $10 billion in covered losses — insurers started pulling back from coverage altogether.

Nobody's yet suggested the creation of a similar authority for wildfires. But Californians in fire-prone areas are continuing to lose coverage — despite the absence of major disasters in 2019, hundreds of millions of dollars in new fire-safety expenditures by the Legislature and an emergency order from regulators halting policy cancellations in certain parts of the state for a year.

Reinsurance executives say California still hasn't turned the corner on wildfire safety.

Mark Bove, a meteorologist and catastrophe solutions manager at Munich Re, a German company that's the world's second-largest seller of reinsurance, said climate change, population growth in fire-prone areas and other factors are continuing to drive up the risk of doing business in California.

"We are happy for the residents of California that 2019 was much milder," Bove said. But "the whole entire insurance and reinsurance industry still feel wildfire is a very significant, emerging risk in California. One relatively quiet year ... does not change that fact."

California wildfires now a major 'peril'

Until recently, the reinsurance industry trained most of its brainpower — its computerized risk-analysis modeling — on what it considered "first-tier perils" such as earthquakes, tornadoes and hurricanes. Wildfires were considered a lesser danger. Then came the fires of 2017 and 2018, killing more than 100 people, destroying much of Paradise — and forcing the industry to take a fresh look at its models.

Perhaps most shocking was the Tubbs Fire in 2017, which swept through urban Santa Rosa neighborhoods that were thought to be at a safe remove from meaningful risk.

"Those risk-selection tools that everyone was using were called into question," said Doug May, president of Willis Re, a reinsurance broker and consultant based in New York. "They didn't appear to be particularly effective, especially for wind-driven wildfire."

Reinsurers are developing new forecasting tools, and are giving California wildfires the respect they deserve.

"California wildfires have emerged as a first-tier US catastrophe peril," Moody's Investors Service declared in a report last summer. Hiscox Re, a reinsurance company based in Bermuda and London, said in a white paper that the industry must recognize wildfire "as a serial offender."

Zurich-based Swiss Re — the world's largest reinsurer, with $36 billion in annual premiums — lost $775 million on California wildfires over the two years.

Everest Re, out of Bermuda, took a $450 million beating on the Camp and Woolsey fires in 2018. A French reinsurance company called SCOR racked up more than $200 million in losses in 2017-18.

When 2019 came and went with just one major wildfire, the Kincade Fire in Sonoma County, much of the reinsurance industry was not reassured.

In its annual summary of global insurance disasters, Munich Re said the 2019 result "does not change the sharply rising long-term trend" toward major fires. Bove, the company meteorologist, said that while industry-wide losses came to just $1 billion last year, that still placed 2019 among the costliest years in California wildfire history.

The end result is reinsurance is getting pricier and harder to find, which translates into less coverage available for California homeowners, said Mark Sektnan, vice president of the American Property Casualty Insurance Association.

“The reinsurers are saying they’re only going to take ‘X’ amount of risk,” said Sektnan, who represents primary insurers. “So you need to figure out which policies you’re not going to cover.”

Crisis for rural homeowners

Homeowners’ insurance is an $8 billion-a-year business in California. The vast majority of Californians have little trouble getting affordable coverage. The average policy — about $1,000 a year — is almost 20 percent below the national average, according to 2016 data from the Insurance Information Institute.

But in areas considered prone to wildfire, the situation has turned nightmarish. Starting with the 2015 Butte Fire in Amador and Calaveras counties, and ending with the November 2018 Camp Fire in Paradise, the insurance industry has lost roughly $25 billion to California’s wildfires. The industry’s response: Nearly 350,000 rural Californians lost their policies from 2015 to 2018, according to state data.

Tens of thousands of homeowners have had to resort to coverage from unregulated “surplus” carriers like Lloyd’s of London or the California FAIR Plan, the state’s “insurer of last resort.” The FAIR Plan alone added 22,000 homeowners to its rolls during a 12-month span ending last August, according to a report to the Legislature.

The FAIR Plan is subject to rate regulation by the state. But it’s considered a less-than-ideal alternative for homeowners. It offers bare-bones policies and doesn’t cover perils like theft, forcing customers to get “wrap-around” insurance to fill out their coverage.

Bottom line: Homeowners who used to pay about $2,000 a year for coverage can find themselves paying $6,000 or more. While urban Californians who live outside of wildfire danger are immune, it's become an all-consuming issue in wooded foothill regions and other fire-prone areas of the state. In some places, the lack of affordable insurance is causing the real estate market to dry up.

"Mercury just notified me of cancellation after less than 3 months - has anyone received coverage in the 95959 zip code recently? Thank you so much for any info," wrote Michelle Harding Bodley in a recent post on a Facebook page devoted to the insurance crisis in Nevada County. The page has 1,000 followers.

So many homeowners have been forced onto the FAIR Plan lately, the insurer of last resort is now worried about becoming overburdened. Last fall Insurance Commissioner Ricardo Lara ordered the FAIR Plan to start offering full-fledged insurance coverage, in addition to its bare-bones policies.

The FAIR Plan — which was created by the state after insurers abandoned inner cities following the 1960s riots — responded by taking Lara to court. The plan is funded by insurers and doesn't receive tax subsidies.

The impact of Lara's other big order remains unclear. In December the commissioner imposed a one-year moratorium prohibiting carriers from dropping homeowners living in and around the major fires that occurred in 2019 — a move that protects about 1 million homeowners. Lara had the authority to order the moratorium under SB 824, a bill he authored while in the Legislature in 2018.

The commissioner also asked insurers halt cancellations for a year in the rest of the state as well. So far no company has agreed to it, but "we continue to be in discussions" with insurers about Lara's request, said Department of Insurance spokesman Michael Soller.

Randy Fletcher, a Marysville insurance agent, said Lara's efforts are falling short. Until the state does more to reduce underlying wildfire dangers, he said insurance carriers will remain reluctant to underwrite coverage in wooded areas.

"They're telling me, show me proof it's safer and profitable to write in the forests," said Fletcher, a Yuba County supervisor whose district bore the brunt of the 2017 Cascade Fire. "The solution isn't from the insurance commissioner putting a one-year band-aid (on the problem)."

Soller acknowledged the moratorium isn't a remedy but is designed to give "breathing room for consumers" while more long-lasting solutions are developed. Those include more intensified efforts by the state to reduce wildfire risks — and then finding ways to get insurers to make coverage more available.

"We're going to push for a stronger commitment from insurers to write policies in wildfire communities, to address this non-renewal issue," Soller said.

In the meantime, insurance carriers insist California also needs to raise premium rates.

Frazier said the Department of Insurance has kept premiums artificially low over the years. Companies are loathed to seek rate increases of more than 6.9 percent because that's the threshold that triggers hearings that could last a year or longer, he said. At the same time, he said the companies are prohibited in California from incorporating reinsurance costs into their rate-hike requests.

"Companies can't match the risk to price," Frazier said. "Why are we acting surprised that there are non-renewals in the high-risk areas?

"(Regulators) are trying to shield people from big price disruptions and that's understandable," he added. "But if they push too hard, the insurance system doesn't have enough money to insure everybody."

Soller said the primary carriers have gotten plenty of rate relief — the department approved rate increases totaling $388 million a year in 2018 alone. "It's not accurate to say the department has put a lid (on rate hikes)," he said.

Michael Wara, who runs the Stanford climate and energy program and has been advising lawmakers on wildfire issues, said any substantive fix for the insurance market is going to need insurance executives “at the table.” But he said questions about political donations from insurers to Lara’s political campaigns “makes it harder” for the commissioner to hold those discussions.

Soller disputed that. “He’s going to continue to do the work of meeting with consumers, meeting with the industry, really as the voice of California homeowners,” the department spokesman said.

KPBS

Supervisors Will Consider Reorganizing Fire Services In Unincorporated Areas

Tuesday, June 2, 2020

By City News Service

Credit: Cal Fire San Diego
Above: Cal Fire San Diego training in Boulevard on June 1, 2020.

The San Diego County Board of Supervisors voted unanimously Tuesday to discuss the reorganization of the county's fire protection and emergency medical services into two separate agencies at its July 7 meeting.

The reorganization would allow more flexibility for, and accountability of, dependent fire and medical services in the county's unincorporated areas, Supervisor Jim Desmond said.

One of the agencies would be the Fire Protection District, which would provide fire services to the jurisdictions within the current service area. The other would be the Fire Authority, which would continue focusing on public safety radio communications.

The supervisors formed the San Diego County Fire Authority in 2008 and developed a plan to cover and consolidate 1.5 million acres. The authority is currently part of County Service Area 135, which provides the government structure to organize and fund fire protection and emergency medical services in the unincorporated area.

Since the creation of the authority, the board has invested more than $500 million to boost fire and emergency services capabilities. Currently, the Fire Authority contracts with the California Department of Forestry and Fire Protection to provide services. Collectively, the services are known as County Fire.

According to a staff report, County Fire has more than doubled in size in the past five years. The proposed reorganization of the agency was proposed by Supervisor Dianne Jacob, who described its evolution as like a "baby" growing into an adult.

If the board agrees to separate the two functions "to better meet current and future demands," using Jacob's recommendations, it would divest County Service Area 135 of its fire protection and emergency services powers and subsequently create the San Diego County Fire Protection District, which would be a committed county function. The service area would then be left with public safety radio communication powers.