



Lou Ann Texeira
Executive Officer

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

NOTICE AND AGENDA FOR REGULAR MEETING

Wednesday, September 14, 2022, 1:30 PM

As permitted by Government Code section 54953(e), this meeting will be held by Zoom and teleconference (webinar) and also in person at 1025 Escobar Street, First Floor in Martinez.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

Please click the link below to join the webinar:

<https://cccounty-us.zoom.us/j/84635109444>

Or Telephone:

Dial:

USA 214 765 0478 US Toll

USA 888 278 0254 US Toll-free

Conference code: 220394

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: The Commission will consider all verbal and written comments received. Comments may be emailed to LouAnn.Teixeira@lafco.cccounty.us or by U.S. mail to Contra Costa LAFCO at 40 Muir Road 1st Floor, Martinez, CA 94553. Please indicate the agenda item number, if any. If you want your comments read into the record, please indicate so in the subject line. For public hearings, the Chair will announce the opening and closing of the public hearing. The Chair will call for verbal public comments.

NOTICE TO THE PUBLIC

Disclosable public records for a regular meeting agenda distributed to a majority of the members of the Commission less than 72 hours prior to that meeting will be made available on <http://contracostalafco.org/meetings>

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 join the meeting. Please contact the LAFCO office at least 48 hours before the meeting at 925-313-7133.

SEPTEMBER 14, 2022 CONTRA COSTA LAFCO AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes of the August 10, 2022 regular LAFCO meeting
4. Public Comment Period (please observe 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.

TELECONFERENCING

5. ***Resolution Authorizing Teleconference Meetings Pursuant to Assembly Bill 361*** – adopt a resolution authorizing LAFCO to conduct teleconference meetings per Gov. Code §54953(e) and make related findings

SPHERE OF INFLUENCE (SOI) AMENDMENTS/CHANGES OF ORGANIZATION

6. ***LAFCO 22-03 – SOI Amendment – EBMUD – Thomas Property*** – consider expanding EBMUD’s SOI (32± acres) to include two parcels (APNs 365-23-037/-038) located at 4949 Happy Valley Road (unincorporated Lafayette) and consider a categorical exemption under the California Environmental Quality Act (CEQA) ***Public Hearing Continued from August 10, 2022***
7. ***LAFCO 22-01 – Annexation to City of Concord and Detachment from County Service Area (CSA) P-6 – Akins Property*** – consider annexation to City of Concord and detachment from CSA P-6 of one parcel (APN 116-092-007) (1.42± acres) located at 1974 Ayers Road (unincorporated Concord) and consider a categorical exemption under CEQA ***Public Hearing***
8. ***LAFCO 22-05 – City of Martinez – Out of Agency Service Request*** – consider a request by the City of Martinez to extend municipal water services outside its jurisdictional boundary to property located at 2567 Reliez Valley Road (22,000 sq. ft) (APN 365-150-015) in unincorporated Martinez, and consider a categorical exemption under CEQA
9. ***LAFCO 22-06 – West County Wastewater District (WCWD) – Out of Agency Service Request*** – consider a request by WCWD to extend municipal wastewater services outside its jurisdictional boundary to two parcels (APNs 408-090-055 and 408-130-041) totaling 26.38+ acres located on Parr Blvd in unincorporated Richmond, and consider related actions as a responsible agency under CEQA

BUSINESS ITEMS

10. ***July 1, 2021 Actuarial Valuation and June 30, 2022 GASB 75 Supplemental Schedules*** – informational item – no action needed

INFORMATIONAL ITEMS

11. ***Current and Potential Applications*** - update on current and potential applications – *information only*
12. Correspondence from Contra Costa County Employees’ Retirement Association (CCCERA)
13. Commissioner Comments and Announcements
14. Staff Announcements/CALAFCO Updates/Newspaper Articles

ADJOURNMENT

Next regular LAFCO meeting October 12, 2022 at 1:30 pm.

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

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
DRAFT MEETING MINUTES
August 10, 2022

September 14, 2022
Agenda Item 3

1. Welcome and Call to Order; Roll Call (Agenda Items 1&2)

Chair Schroder called the regular meeting of August 10, 2022, to order at 1:30 p.m.

The following Commissioners and staff were present:

| Regular Commissioners | Alternate Commissioners | Staff |
|----------------------------|-------------------------|------------------------------------|
| Rob Schroder, Chair | Stan Caldwell | Lou Ann Texeira, Executive Officer |
| Federal Glover, Vice Chair | Chuck Lewis | Tom Geiger, Commission Counsel |
| Candace Andersen | Diane Burgis (Absent) | Sherrie Weis, LAFCO Clerk |
| Don Blubaugh | Edi Birsan | |
| Patricia Bristow | | |
| Tom Butt | | |
| Mike McGill | | |

Announcement: Pursuant to Governor Newsom's Executive Order and local county health orders issued to address the COVID 19 pandemic, the Commission meeting is being held via Zoom videoconference. The public may listen to the meeting telephonically and comment by calling in to the teleconference meeting per the instructions on page 1 of the agenda. As required by the Brown Act, all votes taken this afternoon will be done by a roll call vote of the attending Commissioners participating via teleconference.

3. Approval of Minutes

Upon motion by Commissioner Blubaugh and second by Commissioner Butt, the Commission unanimously, by a 7-0 vote approved the June 8, 2022, meeting minutes.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

4. Public Comments

Chair Schroder invited members of the audience to provide public comment. There were no speakers.

TELECONFERENCING

5. Resolution Authorizing Teleconference Meetings Pursuant to Assembly Bill 361 – discuss future meeting format and adopt a resolution authorizing LAFCO to conduct teleconference meetings per Gov. Code §54953(e) and make related findings

Following Commissioner comments and upon a motion by Commissioner Glover and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote, adopted Resolution No. 2022-05 allowing Contra Costa LAFCO to conduct teleconference meetings pursuant to GC section 54953(e) and commencing with the September 14, 2022, meeting in a hybrid format, LAFCO staff attending in-person in the Board Chambers, Commissioners and public having the option to attend in-person or virtually.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

SPHERE OF INFLUENCE (SOI) AMENDMENTS/CHANGES OF ORGANIZATION

6. ***LAFCO 21-15 – Dissolution of County Service Area (CSA) R-10 – Results of Protest Hearing*** – on June 8, 2022, the Commission approved dissolution of CSA R-10 subject to a protest hearing. On July 13th a protest hearing was conducted by the LAFCO Executive Officer. On August 10th, the Commission received the results of the protest hearing and ordered dissolution of CSA R-10.

Following Commissioner comments and upon a motion by Commissioner Glover and second by Commissioner McGill, the Commission approved, unanimously, by a 7-0 vote, to receive the results of protest hearing.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

7. ***LAFCO 21-17 – Dissolution of CSA R-9*** – receive update and consider initiating dissolution of CSA R-9 comprising 3.1± square miles serving unincorporated El Sobrante Valley including parts of Richmond ***Public Hearing Continued from November 10, 2021***

Chair Schroder opened the public hearing and closed the public hearing there were no speakers.

Following Commissioner comments and upon a motion by Commissioner Blubaugh and second by Commissioner Andersen, the Commission, unanimously, by a 7-0 vote, deferred adopting a resolution initiating dissolution of CSA R-9, and requested an update within six months (February 8, 2023) regarding the status of CSA R-9 including future funding options

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

8. ***LAFCO 21-16 – Annexation to City of Concord and Detachment from CSA P-6 – Laurel Place IV, Subdivision 9495*** - consider annexation to City of Concord and detachment from CSA P-6 (3.6+ acres) of eight parcels (APNs 117-040-123 thru –130) located at 5175 Laurel Drive in unincorporated Concord and consider making determinations and findings as a responsible agency under CEQA ***Public Hearing***

Chair Schroder opened the public hearing and closed the public hearing there were no speakers.

Following Commissioner comments and upon motion by Commissioner Andersen, second by Commissioner Glover, the Commission, unanimously approved, by a 7-0 vote, the annexation/detachment as proposed and adopted Resolution No. 21-16.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

9. ***LAFCO 21-09 – Annexation to East Bay Municipal Utility District (EBMUD) – Lark Lane*** – consider annexing to EBMUD one parcel (APN 198-230-017) totaling 18.38± acres located at 285 Lark Lane (Alamo) and consider a categorical exemption under CEQA ***Public Hearing***

Chair Schroder opened the public hearing and closed the public hearing there were no speakers.

Following Commissioner comments and upon a motion by Commissioner Andersen and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote approved the annexation as proposed and adopted Resolution No. 21-09.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

10. ***LAFCO 22-03 – SOI Amendment – EBMUD - Thomas Property*** – consider expanding EBMUD's SOI (32± acres) to include two parcels (APNs 365-23-037/-038) located at 4949 Happy Valley Road (unincorporated Lafayette) and consider a categorical exemption under CEQA. ***Continue Public Hearing to September 14, 2022 at 1:30 pm***

Chair Schroder opened the public hearing and closed the public hearing there were no speakers.

Following Commissioner comments and upon a motion by Commissioner Andersen and second by Commissioner Glover, the Commission, unanimously, by a 7-0 vote, continued the Public Hearing to September 14, 2022 at 1:30 pm.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

BUSINESS ITEMS

11. ***Contra Costa Mosquito & Vector Control District (CCMVCD) and Contra Costa Resource Conservation District (CCRCD) Public Review Municipal Services Review (MSR)/SOI Updates (2nd Round)*** – receive an overview of the Public Review CCMVCD/CCRCD Draft MSR, receive public comments, and provide input. ***Public Hearing***

Chair Schroder opened the public hearing.

Dr. Paula Macedo – General Manager Contra Costa Mosquito & Vector Control District answered questions from the Commission regarding placement of mosquito fish.

Chair Schroder closed the public hearing.

Following Commissioner comments and upon a motion by Commissioner McGill and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote, approved to receive staff report and consultants' presentation, and directed LAFCO staff to set a public hearing for November 9, 2022, at which time the Commission will be asked to accept the Final MSR, make the required determinations, and update SOIs.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

12. ***LAFCO Fee Schedule Update*** – consider amending the LAFCO fee schedule to establish a \$4,200 fee for processing and review of out-of-agency fire protection services by contract - ***Public Hearing***

Chair Schroder opened and closed the public hearing there were no speakers.

Following Commissioner comments and upon a motion by Commissioner Andersen and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote, adopted the updated *LAFCO Schedule of Processing Fees and Deposits* to add the out-of-agency fire protection services by contract processing fee to the LAFCO fee schedule.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

13. ***LAFCO 20-08 – Bay's Edge Subdivision – Request for Extension*** – consider request for extension of time

Following Commissioner comments, and upon a motion by Commissioner Glover and second by Commissioner Andersen, the Commission, unanimously, by a 7-0 vote, approved the request for a one-year extension of time to August 31, 2023, to allow the City of Martinez to complete the General Plan amendment and submit an annexation application to LAFCO.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

14. ***Contract Extension – SWALE, Inc*** - consider approving a one-year contract extension with SWALE, Inc. which provides environmental planning services to Contra Costa LAFCO

Following Commissioner comments, and upon a motion by Commissioner Andersen and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote extended the term of the contract through July 31, 2023. The contract amendment also includes the addition of \$9,000 to the contract amount.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

15. ***CALAFCO 2022 Annual Conference Material, Call for Board of Directors Nominations and Voting Delegates*** – appoint voting delegate(s) and provide direction regarding nominations

Following Commissioner comments, and upon a motion by Commissioner Glover and second by Commissioner Blubaugh, the Commission, unanimously, by a 7-0 vote nominated Commissioner McGill to run for another term on the CALAFCO board and appointed Commissioner Schroder as the voting delegate and Commissioner Bristow as the alternate voting delegate.

VOTE:

AYES: Andersen, Blubaugh, Bristow, Butt, Glover, McGill, Schroder
NOES: None
ABSENT: None
ABSTAIN: None

16. ***Legislative Update and Position Letter*** – receive an update legislative update and position letter – informational update – no action required by the Commission.

INFORMATIONAL ITEMS

17. ***Current and Potential Applications*** – receive an update on pending proposals –informational update – no action required by the Commission.

18. ***Correspondence from Contra Costa County Employee's Retirement Association (CCCERA)*** – informational update – no action required by the Commission

19. ***Commissioner Comments and Announcements***

Commissioner McGill updated the Commission on the CALAFCO Board meeting of July 20, 2022

20. ***Staff Announcements***

Executive Officer updates:

- 3rd Round Wastewater MSR kick-off being done by SWALE, Inc., with Baracco Associates
- Provided an update on Green Valley Recreation & Park District in response to Commissioner Birsan's questions

ADJOURNMENT

The next regular LAFCO meeting is September 14, 2022, at 1:30 pm.

By _____



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

MEMBERS

Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Tom Butt
City Member

Patricia Bristow
Special District Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Stanley Caldwell
Special District Member

Charles R. Lewis, IV
Public Member

Edi Birsan
City Member

September 14, 2022
Agenda Item 5

September 14, 2022

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

Adoption of Resolution 2022-06 (AB 361)

Dear Members of the Commission:

Since June 2020, Contra Costa LAFCO has conducted its public meetings via Zoom/teleconference, consistent with the Governor's Executive Orders allowing teleconferencing and AB 361, which authorizes teleconferencing without following the non-emergency teleconferencing rules in the Brown Act. The Commission has adopted a resolution at each LAFCO meeting authorizing LAFCO to conduct teleconference meetings.

In August 2022, the Commission last discussed format options for future LAFCO meetings, including virtual/ teleconference meetings, in-person meetings, and hybrid meetings (both virtual/teleconference and in-person). The Commission indicated a preference for the hybrid meeting format, which we have implemented.

Also in August, the Commission approved a resolution authorizing LAFCO to continue conducting teleconference meetings under Government Code section 54953(e). Commissioners indicated that because of the rise in Covid-19 cases due to variants, the question of whether to continue meeting remotely would be revisited at each meeting.

RECOMMENDATIONS: 1) Adopt Resolution No. 2022-06 authorizing LAFCO to conduct teleconference meetings under Government Code §54953(e) and make related findings.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Draft AB 361 – LAFCO Resolution 2022-06

RESOLUTION NO. 2022-06

A RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION AUTHORIZING TELECONFERENCE MEETINGS UNDER GOVERNMENT CODE SECTION 54953(e) (ASSEMBLY BILL 361)

Recitals

- A. On March 4, 2020, Governor Gavin Newsom proclaimed the existence of a state of emergency in California under the California Emergency Services Act, Government Code (GC) §8550 et seq.
- B. On March 10, 2020, the Contra Costa County Board of Supervisors found that due to the introduction of COVID-19 in the County, conditions of disaster or extreme peril to the safety of persons and property had arisen, commencing on March 3, 2020. Based on these conditions, pursuant to GC §8630, the Board of Supervisors adopted Resolution No. 2020/92, proclaiming the existence of a local emergency throughout Contra Costa County.
- C. On March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended the teleconferencing rules set forth in the California Open Meeting law, GC §54950 et seq. (the Brown Act), provided certain requirements were met and followed.
- D. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which clarified the suspension of the teleconferencing rules set forth in the Brown Act and further provided that those provisions would remain suspended through September 30, 2021.
- E. On September 16, 2021, Governor Newsom signed Assembly Bill (AB) 361, which provides that under GC §54953(e), a legislative body subject to the Brown Act may continue to meet using teleconferencing without complying with the non-emergency teleconferencing rules in GC §54953(b)(3) if a proclaimed state of emergency exists and state or local officials have imposed or recommended measures to promote social distancing.
- F. On September 1, 2022, the Contra Costa County Health Officer issued recommendations for safely holding public meetings that include recommended measures to promote social distancing.
- G. Among the Health Officer's recommendations: (1) on-line meetings (teleconferencing meetings) are strongly recommended as those meetings present the lowest risk of transmission of SARS-CoV-2, the virus that causes COVID-19; (2) if a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended when possible to give those at higher risk of an/or higher concern about COVID-19 an alternative to participating in person; (3) a written safety protocol should be developed and followed, and it is recommended that the protocol require social distancing – i.e., six feet of separation between attendees – and face masking of all attendees; (4) seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.
- H. Because of the prevalence of COVID-19 variants in the Bay Area, case rates and COVID-19 hospitalizations remain high in the County.
- I. In the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the Contra Costa Local Agency Formation Commission (LAFCO) intends to invoke the provisions of AB 361 related to teleconferencing.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission resolves as follows:

1. LAFCO finds that: the state of emergency proclaimed by Governor Newsom on March 4, 2020, is currently in effect; and the Contra Costa County Health Officer has strongly recommended that public meetings be held by teleconferencing as those meetings present the lowest risk of transmission of SARS-CoV-2, the virus that causes COVID-19.
2. As authorized by AB 361, LAFCO will use teleconferencing for its meetings in accordance with the provisions of GC §54953(e).
3. The Executive Officer is authorized and directed to take all actions necessary to implement the intent and purpose of this resolution, including conducting open and public meetings in accordance with GC §54953(e) and all other applicable provisions of the Brown Act.

PASSED AND ADOPTED on September 14, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: September 14, 2022

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 14, 2022 (Agenda)

September 14, 2022
Agenda Item 6

LAFCO 22-03 East Bay Municipal Utility District (EBMUD) Sphere of Influence (SOI) Amendment – 4949 Happy Valley Road, Lafayette (unincorporated)

APPLICANT Steve Thomas, Landowner

ACREAGE & LOCATION The applicant proposes to expand EBMUD's SOI by 32± acres. The property includes two parcels (APNs 365-230-037/-038) and is located at 4949 Happy Valley Road in Lafayette (unincorporated) - see attached map (Exhibit A). The applicant also submitted a corresponding application to annex the parcels to EBMUD.

PURPOSE The purpose of the proposal is to allow for the extension of municipal water services to support an existing vineyard, livestock, one existing single-family home (APN -037) and one proposed single-family home (APN -038) due to high levels of boron in the well water - see letter from Contra Costa Environmental Health Services (CCEH) – Attachment 1.

BACKGROUND In May 2022, the landowner submitted applications to Contra Costa LAFCO to amend EBMUD's SOI and annex the subject properties to EBMUD. Included with the applications was a request that Alameda LAFCO transfer jurisdiction to Contra Costa LAFCO to process the applications. Alameda is designated the principal county for LAFCO proceedings, as defined by Government Code ("GC") §56066 (i.e., the county having the greatest portion of the assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within the district). Contra Costa LAFCO submitted a request to Alameda LAFCO for transfer of jurisdiction, which Alameda LAFCO approved on July 14, 2022.

DISCUSSION The Cortese-Knox-Hertzberg Act (CKH Act) authorizes LAFCO to develop and determine the SOI of each local agency within the County, and to enact policies designed to promote the logical and orderly development of areas within the spheres.

An SOI is defined as *a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO*. The intent of an SOI is to identify the most appropriate area for an agency's extension of services in the foreseeable future (e.g., 10-20 year horizon). Accordingly, territory included in an agency's SOI is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

Pursuant to GC §56425, when amending an SOI for a local agency, LAFCO is required to consider and prepare a written statement of determinations with respect to the following:

1. ***The present and planned uses in the area, including agricultural and open space lands*** – The project site is used for agricultural purposes including a vineyard, horses, livestock, and barn. One of the parcels contains a single-family home and the other is currently vacant. The landowner plans to build one single family home on the adjacent parcel.

The County General Plan (GP) designation for the subject parcels is *Agricultural Land (AL)* and the zoning designation is *General Agricultural* five acre minimum (A-2). The parcels are outside the Contra Costa County Urban Limit Line (ULL). The subject parcels are not under an active Williamson Act contract. There are no lands under Williamson Act contracts near or around the subject parcels.

One of the subject parcels (APN -037) meets the LAFCO definition of "agricultural land" (GC §56016) as the parcel contains a vineyard used for commercial purposes.

2. ***The present and probable need for public facilities and services in the area*** – One of the parcels is currently vacant (-038) and the other (-037) contains a single-family home. The home is currently served by an onsite septic system and well. The subject parcels are within the Contra Costa County Fire Protection District service boundary.

The landowner reports that the water quality on the property has a high level of boron. The CCEH reviewed the water quality for the well located on the property and confirmed that the boron level of 5,900 micrograms per liter (ug/L) exceeds the California State Notification Level of 1,000 (ug/L). CCEH has no objection to EBMUD supplying water to the subject property as noted in their letter (Attachment 1).

3. ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide*** – EBMUD provides potable water services and limited wastewater collection and treatment services in portions of EBMUD's service area. The EBMUD service area is 332± square miles (Contra Costa and Alameda counties). EBMUD provides potable water to 1.4± million people within the two-county service area. Within Contra Costa County, EBMUD provides water service to a 225± square mile service area, serving an estimated 473,000 residents per EBMUD's 2020 Urban Water Management Plan.

EBMUD's water supply is distributed through a collection system consisting of aqueducts, reservoirs, and other components. The primary source of water supply for EBMUD is the Mokelumne River; this watershed accounts for 90% of EBMUD's water supply. EBMUD's existing water rights allow the delivery of up to 325 mgd or approximately 364,037 acre-feet per year of water from the Mokelumne River.

EBMUD's water supplies are subject to variability, particularly during dry and multiple dry years. The availability of the Mokelumne River runoff is subject to senior water rights of other users, downstream fishery flow requirements, and other Mokelumne River water uses. Given the variability, EBMUD indicates that supplemental water supply sources are needed to meet future water demand during extended periods of drought.

The Freeport Regional Water Facility is a regional water supply project that provides supplemental water supply to EBMUD during dry years. During periods of drought, EBMUD receives Central Valley Project (CVP) water from its Freeport Regional Water Facility to augment its water supply. Through a contract with the U.S. Bureau of Reclamation (USBR), EBMUD can receive supplemental water supply during dry and multiple dry years to ensure the reliability of EBMUD's water supply. If the property is annexed to EBMUD, EBMUD will need to seek approval from the USBR to amend the service area delineated in its contract. EBMUD's policies also require that the annexation be conditioned on receipt of USBR's approval of the inclusion of the area within the delineated area in the contract. To initiate the review and approval process with the USBR, the landowner must enter into an agreement with EBMUD to reimburse EBMUD for all fees levied by the USBR.

EBMUD indicates that they have adequate water supplies to serve the property (Attachment 3). Although adequate water supplies exist, EBMUD cannot determine if the Project can be feasibly served by EBMUD in accordance with EBMUD's Regulations Governing Water Service to Customers without a completed application for water service. EBMUD will determine if the project can be feasibly served, which may include, but not limited to a water main extension, at the applicant's expense, which will be determined after a completed application for service is received in accordance with EBMUD's Regulations Governing Water Service to Customers, Sections 2 & 4. The annexation would also be subject to EBMUD's policies, including Policy 3.01 regarding annexations. Policy 3.01 states that an annexation should facilitate the

operation of the utility and be advantageous to the community. For territory, including the project, located within the boundaries of the East Bay Watershed Master Plan, but lying outside the boundary of the Briones Hills Agricultural Preservation Area, there must be adequate facilities for removal of sewage from the watershed, and the land must be under agreement or permanent deed restriction with EBMUD to protect the quality of source water under the influence of the territory. As a condition of annexation and prior to seeking service from EBMUD, the landowner must enter into an agreement with EBMUD to ensure that both EBMUD and the Contra Costa County Health Department are satisfied with the adequacy of any existing or proposed sewage removal system and that all measures necessary for the protection of source water have been put in place.

If it is determined that water service is feasibly available from EBMUD, the proposed project is required to comply with the California Model Water Efficient Landscape Ordinance (Division 2, Title 23, California Code of Regulations, Chapter 2.7, Section 490 through 495) and EBMUD's Regulations Governing Water Service to Customers Section 31, which requires that water service shall not be furnished for new or expanded services unless all applicable water-efficiency measures described in the Regulations are installed.

If it is determined that water service can be provided consistent with EBMUD's policies and regulations, the costs associated with the water supply system as described, as well as development system capacity and service connection fees, will be borne by the landowner. Ongoing maintenance of the system will be funded through usage fees collected by EBMUD. The estimated water demand for the project is currently unknown and would need to be provided to EBMUD as part of the completed EBMUD application to determine if the property can be feasibly served. The property owner provided an estimated range of 3,000 to 5,000 gallons per day. EBMUD provided a letter indicating that water service to the subject property will be available contingent upon evidence of annexation to EBMUD and compliance with the District's regulations governing water service.

4. ***The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency*** – The subject parcels are located on Happy Valley Road in unincorporated Contra Costa County, adjacent to Lafayette and are surrounded by vacant land/open space to the north, south, east, and west. EBMUD staff notes that any further development that occurs on the parcels be undertaken in a manner that will ensure the protection of source water and the adjacent public lands. In light of the identified water quality issues with the well serving the current structure, the subject parcels will benefit from municipal water service provided by EBMUD.
5. ***Nature, location, extent, functions & classes of services to be provided*** – EBMUD's water supply system collects, transmits, treats, and distributes high quality water to an area of 332± square miles in Contra Costa and Alameda counties. EBMUD provide wastewater treatment to 88 square miles in Contra Costa and Alameda counties. EBMUD provides potable water to over 1.4 million customers within the two-county service area, and wastewater treatment to over 740,000 residential, business and industrial customers. In Contra Costa County, water service is provided to Crockett, Rodeo, Hercules, Pinole, Richmond, El Sobrante, El Cerrito, San Pablo, Orinda, Moraga, Lafayette, Pleasant Hill, Walnut Creek, Alamo, Danville, Diablo, Blackhawk and San Ramon; and wastewater services are provided to El Cerrito, parts of Richmond, and Kensington. EBMUD is expected to provide water service to the subject area dependent on receiving approval from the USBR of inclusion of the area in EBMUD's CVP Contractor Service Area.

Environmental Impact of the Proposal – The EBMUD SOI expansion is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15303(a) and (d).

ALTERNATIVES FOR COMMISSION ACTION

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

Option 1 Adopt this report and adopt Resolution No. 22-03 (Attachment 2) approving the proposed EBMUD SOI expansion of 32± acres and determining that the SOI expansion is exempt from CEQA.

Option 2 Adopt this report and DENY the proposal.

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

RECOMMENDATION **Option 1 – approve the SOI amendment as proposed.**

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

Exhibit

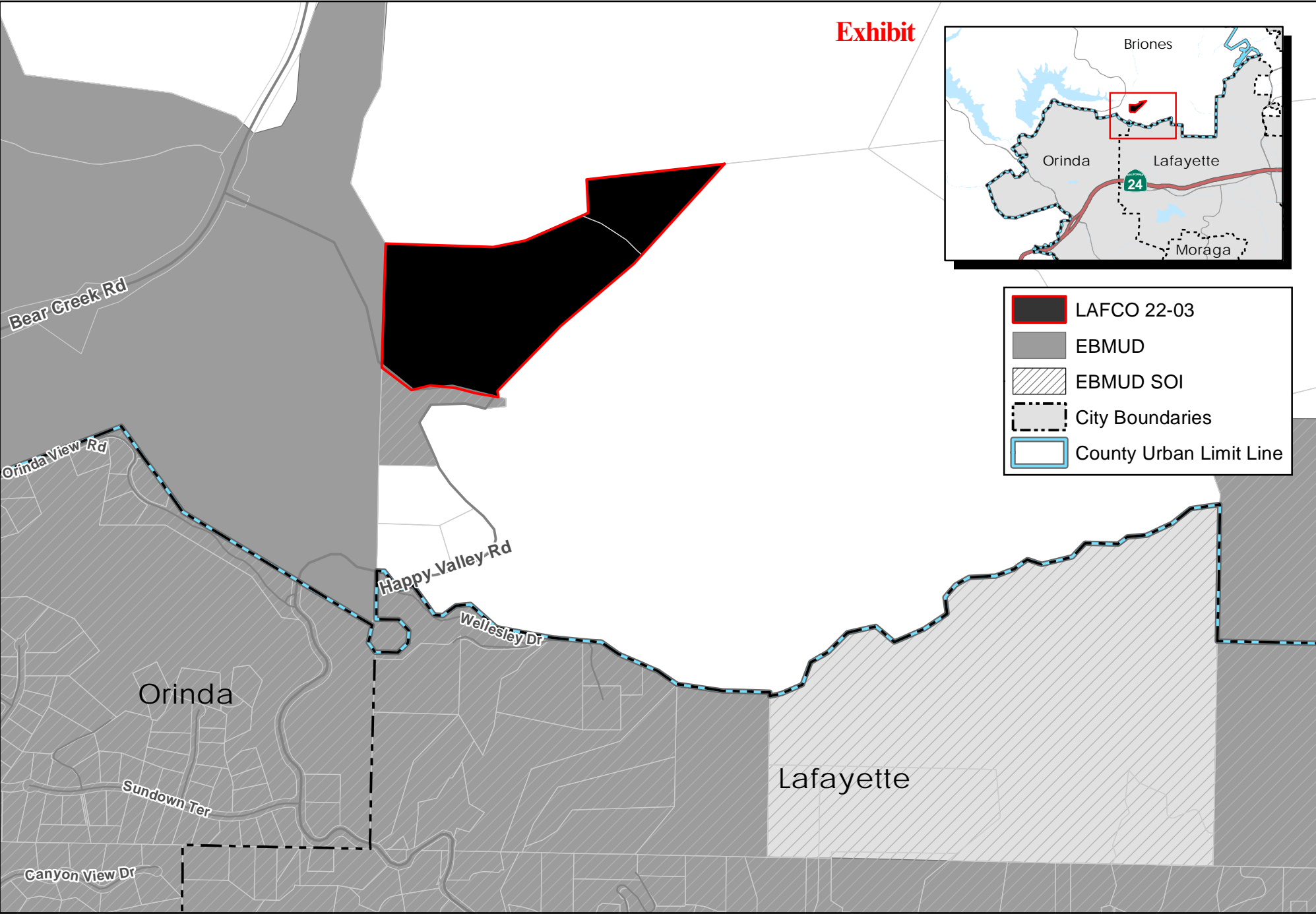
A. Map – Proposed EBMUD SOI Expansion

Attachments

1. Contra Costa Environmental Health Services
2. Draft LAFCO Resolution 22-03

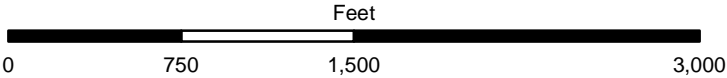
c: Steve Thomas, Landowner/Applicant
 Jack Flynn, Customer Services Manager, EBMUD
 Timothy Ellsworth, R.E.H.S., CCEH

LAFCO No. 22-03 East Bay Municipal Utility District (EBMUD) SOI Amendment - Thomas Property



Map created 06/21/2022
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.



SPHERE OF INFLUENCE RESOLUTION NO. 22-03**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND EXPANDING THE SPHERE OF INFLUENCE
OF EAST BAY MUNICIPAL UTILITY DISTRICT (4949 HAPPY VALLEY ROAD – LAFAYETTE)**

WHEREAS, a proposal to expand the sphere of influence (SOI) of the East Bay Municipal Utility District (EBMUD) and corresponding annexation proposal were filed with the Contra Costa Local Agency Formation Commission (LAFCO) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56425); and

WHEREAS, the LAFCO Executive Officer gave notice of the Commission's consideration of the proposed SOI expansion at the time and in the manner required by law; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, SOIs and applicable General and Specific Plans, and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference;

NOW, THEREFORE, the Contra Costa LAFCO DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. The matter before the Commission is the proposed expansion of EBMUD's SOI by 35± acres (two parcels), located at 4949 Happy Valley Road in unincorporated Lafayette.
2. The Commission finds that the EBMUD SOI expansion is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15303(a) and (d).
3. The SOI of EBMUD is hereby expanded to include the area as shown on the attached map (Exhibit A).
4. In conjunction with the SOI expansion, the Commission has considered the criteria set forth in Government Code §56425 and determines as follows:

The present and planned uses in the area, including agricultural and open space lands – The project site includes two parcels, one of which contains a single-family home and agricultural uses including a vineyard, horses, livestock, and barn; the other parcel is currently vacant. The landowner plans to construct one single-family home on the vacant parcel.

The County General Plan (GP) designation for the subject parcels is *Agricultural Land* (AL) and the zoning designation is *General Agricultural* five acre minimum (A-2). The parcels are outside the Contra Costa County Urban Limit Line (ULL). The subject parcels are not under an active Williamson Act contract. There are no lands under Williamson Act contracts near or around the subject parcels.

One of the subject parcels meets the LAFCO definition of "agricultural land" (GC §56016) as the parcel contains a vineyard used for commercial purposes.

The present and probable need for public facilities and services in the area – The subject parcels contain one existing single-family home and one proposed single-family home. The existing single-family home is served by an on-site septic system and well. The well water, as determined by Contra Costa Environmental Health Services, contains high levels of boron. Municipal water service from EBMUD is needed to support the existing and proposed single family homes. A corresponding annexation application was also submitted to LAFCO to expand EBMUD's service boundary.

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide – EBMUD provides potable water services and limited wastewater collection and treatment services in portions of the District's service area. The EBMUD service area is approximately 332± square miles (Contra Costa and Alameda counties). EBMUD provides potable water to approximately 1.4

million people within the two-county service area. Within Contra Costa County, EBMUD provides water service to a 225± square mile service area, serving an estimated 473,000 residents per the 2020 Urban Water Management Plan (UWMP). EBMUD has adequate capacity to serve the project from the District's Danville Pressure Zone, which serves an elevation range of 250 feet to 450 feet.

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency – The subject parcels are located in unincorporated Lafayette and are surrounded by surrounded by vacant land/open space to the north, south, east, and west. The subject parcels will benefit from municipal water service provided by EBMUD.

Nature, location, extent, functions & classes of services to be provided – EBMUD water supply system collects, transmits, treats, and distributes high-quality water to an area of 332± square miles in Contra Costa and Alameda counties. EBMUD provide wastewater treatment to 88 square miles in Contra Costa and Alameda counties. EBMUD provides potable water to over 1.4 million customers within the two-county service area, and wastewater treatment to over 740,000 residential, business and industrial customers. In Contra Costa County, water service is provided to Crockett, Rodeo, Hercules, Pinole, Richmond, El Sobrante, El Cerrito, San Pablo, Orinda, Moraga, Lafayette, Pleasant Hill, Walnut Creek, Alamo, Danville, Diablo, Blackhawk and San Ramon; and wastewater services are provided to El Cerrito, parts of Richmond, and Kensington. EBMUD is expected to provide water service to the subject area dependent on obtaining formal approval from the United States Bureau of Reclamation of the inclusion of the area into EBMUD's Central Valley Project Contractor Service Area.

* * * * *

PASSED AND ADOPTED THIS 14th day of September 2022, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: September 14, 2022

Lou Ann Texeira, Executive Officer

ANNA M. ROTH, RN, MS, MPH
HEALTH SERVICES DIRECTOR
RANDALL L. SAWYER
DEPUTY HEALTH DIRECTOR
JOCELYN STORTZ, MS, REHS
ENVIRONMENTAL HEALTH DIRECTOR



CONTRA COSTA
ENVIRONMENTAL HEALTH
2120 Diamond Boulevard, Suite 100
Concord, California 94520
Ph (925) 608-5500
Fax (925) 608-5502
www.cchealth.org/eh/

April 28, 2022

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

**Subject: Property Owner Request for Water Service
4949 Happy Valley Rd, Lafayette, CA
APN: 365-230-037**

Dear Members of the Commission:

Contra Costa Environmental Health (CCEH) has reviewed water quality results for the well located at the subject property.

The results report indicated a boron level of 5,900 micrograms per liter ($\mu\text{g/L}$), which exceeds the California State Notification Level of 1,000 $\mu\text{g/L}$.

Notification levels are non-regulatory health-based advisory levels established by the State Water Resources Control Board (SWRCB) for chemicals for which maximum contaminant levels (MCL) have not been established. The US EPA has also established a Health Advisory Level for non-cancer health effects from boron in drinking water of 5,000 $\mu\text{g/L}$. The US EPA and SWRCB have not established an MCL for boron.

CCEH has no objection to the East Bay Municipal Utility District (EBMUD) supplying water to the subject property.

If you have any questions, please contact me at (925) 383-6831 or by email at timothy.ellsworth@cchealth.org.

Sincerely,

Timothy Ellsworth, R.E.H.S.
Environmental Health Specialist II
Land Use Program

cc: Jocelyn Stortz, Director of Environmental Health
John Wiggins, Supervising Environmental Health Specialist
Steven Thomas, Property Owner

TE:lj



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 14, 2022 (Agenda)

September 14, 2022
Agenda Item 7

LAFCO 22-01 Annexation to City of Concord and Detachment from County Service Area (CSA) P-6

APPLICANT Anthony & Tina Akins, Landowner/Applicant

SYNOPSIS This is an application to annex one parcel (APN 116-092-007) to the City of Concord and detach from CSA P-6. The parcel totals 1.42± acres and is located at 1974 Ayers Road in unincorporated Concord (Ayers Ranch) - see Exhibit A.

 The annexation/detachment is in accordance with the City's pre-annexation agreement and LAFCO's conditions of approval for out-of-agency wastewater service in June 2021.

DISCUSSION

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

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

The subject parcel is within the SOI of the City of Concord.

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

Currently, there is one single family home on the subject parcel. The existing home has City wastewater service. The landowners plan to construct a second residential unit on the parcel, have submitted building and grading permit applications to the County, and await the County's approval and issuance of permits.

Given the delays in the construction project, it is recommended that, should the Commission approve the boundary reorganization, the effective date of the reorganization be deferred until September 30, 2023 to allow the property owners additional time to obtain permits from the County and complete construction.

The County General Plan designation for the property is Single-Family Residential - Low Density and the County's zoning designation is R-20 (20,000 sq. ft. minimum). The City of Concord prezoned the property RR-20 (Rural Residential – 20,000 sq. ft. minimum), and the City's General Plan designation is Rural Residential. Residential development surrounds the subject parcel to the north, south and west; the area to the east includes a portion of the decommissioned Concord Naval Weapons Station. The subject parcel is located within the voter approved Urban Limit Line.

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

The project site is zoned for single-family residential development and is surrounded by single-family residential development to the west, north and south. The subject area contains no prime farmland, land covered under a Williamson Act Land Conservation agreement, or any designated open space.

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

The subject property slopes upward toward the rear of the property (100± feet of elevation change). The surrounding areas are similar with slopes toward the rear of the property, with no significant natural features.

5. **Population:**

The average household size in the City of Concord is 2.76 and the average family size is 3.32. The estimated population for one single family homes is approximately 2.76 people. (Data source: US

Census Bureau American Community Survey 2020 5-year estimates). The subject property currently has two registered voters; thus, the subject area is, by statute, considered uninhabited.

6. Fair Share of Regional Housing:

In its review of a proposal, LAFCO must consider the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. Development of one single family home on the subject parcel will add to the City's housing stock.

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

If a proposal for a change of organization or reorganization is submitted, the applicant must submit a plan for providing services within the affected territory (Gov. Code §56653). The plan for services is included with the application. The plan must include all the following information and any additional information required by the Commission or the Executive Officer:

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

The subject area is currently served by various local agencies including, but not limited to, Contra Costa County, Contra Costa County Fire Protection District, Contra Costa Water District (CCWD), and various other public agencies.

The City of Concord provides wastewater services to the subject area pursuant to an out-of-agency service agreement approved by LAFCO on June 9, 2021.

Regarding infrastructure needed to serve the property, a public sanitary sewer main is present in Ayers Road along the property frontage. Two to four inch (30-length) sanitary sewer laterals will be connected to the existing 8-inch main and extended across Ayers Road to the subject property. It is estimated that one single family home will generate approximately 80-100 gallons of wastewater per day. The property owner is responsible for the capital costs; future operations and maintenance costs are the responsibility of the homeowner(s).

8. Timely Availability of Water and Related Issues:

The subject area is within the service boundary of CCWD. CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek.

9. Assessed Value, Tax Rates, and Indebtedness:

The subject area is within tax rate area 79036. The assessed value for the subject area is \$498,524 (2021-22 roll). The territory being annexed is liable for all authorized or existing taxes and bonded debt comparable to properties presently within the annexing agencies.

10. Environmental Impact of the Proposal:

As Lead Agency, Contra Costa County found the project exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15303(a). The LAFCO Environmental

Coordinator has reviewed the County's CEQA documentation and finds it adequate for LAFCO purposes.

11. Landowner Consent and Consent by Annexing Agency:

All landowners and registered voters within the proposal area and within 300 feet of the exterior boundaries of the area(s) were sent notice of this LAFCO hearing.

According to County Elections, there are currently two registered voters in the subject area; thus, the subject area is, by statute, considered uninhabited. Therefore, if the Commission approves the annexation/detachment, the Commission must waive the protest hearing (Gov. Code §56662) as no affected landowners filed a protest as of this writing.

12. Boundaries and Lines of Assessment:

The subject area is within the City of Concord's SOI. A map and legal description for the proposed annexation/detachment have been received and are subject to final approval by the County Surveyor.

13. Environmental Justice:

LAFCO is required to consider the extent to which proposals for changes of organization or reorganization will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed annexation/detachment is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

14. Disadvantaged Communities:

In accordance with State legislation, local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County Department of Conservation and Development, the subject area does not meet the criteria of a DUC.

15. Comments from Affected Agencies/Other Interested Parties:

As of this writing, LAFCO has received no objection from any affected local agency, landowner, or registered voter within the subject area. If no objection is received from any affected party prior to the conclusion of the hearing on September 14th, the Commission must waive the protest hearing.

16. Regional Transportation and Regional Growth Plans:

In its review of a proposal, LAFCO shall consider a regional transportation plan adopted pursuant to GC §§56668(g) and 65080. The Commission may also *consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or sub regional basis* (GC §56668.5). Regarding these sections, LAFCO looks at consistency of the proposal with the regional transportation and other regional plans affecting the Bay Area.

SB 375, a landmark state law, requires California's regions to adopt plans and policies to reduce the generation of greenhouse gases (GHG), primarily from transportation. To implement SB 375, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), in July 2013, adopted *Plan Bay Area* as the "Regional Transportation Plan and Sustainable

Communities Strategy” for the San Francisco Bay Area through 2040. This plan focused on where the region is expected to grow and how development patterns and the transportation network can work together to reduce GHG emissions. In October 2021, ABAG and MTC adopted *Plan Bay Area 2050*, which serves as the Bay Area's official long-range plan for housing, economic development, transportation, and environmental resilience for the next four years. While prior iterations of *Plan Bay Area* focused on transportation and housing, the 2050 plan expands the scope introducing strategies for long-term economic development and environmental resilience, while meeting federal and state requirements. This proposal is consistent with *Plan Bay Area*.

ALTERNATIVES FOR COMMISSION ACTION

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

Option 1 Approve the annexation/detachment as proposed.

- A. Find that the project is exempt from CEQA pursuant to the California Environmental Quality Act Guidelines section 15303(a).
- B. Adopt this report, approve LAFCO Resolution No. 22-01 (Attachment 1), and approve the proposal, to be known as *Annexation to City of Concord/Detachment from CSA P-6, Akins Property* subject to the terms and conditions in Resolution No. 22-01.
- C. Defer issuing the LAFCO Certificate of Completion until September 30, 2023, to allow the property owners to obtain permits from the County and complete construction.

Option 2 Adopt this report and DENY the proposal.

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

RECOMMENDED ACTION: Approve Option 1

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

Exhibit

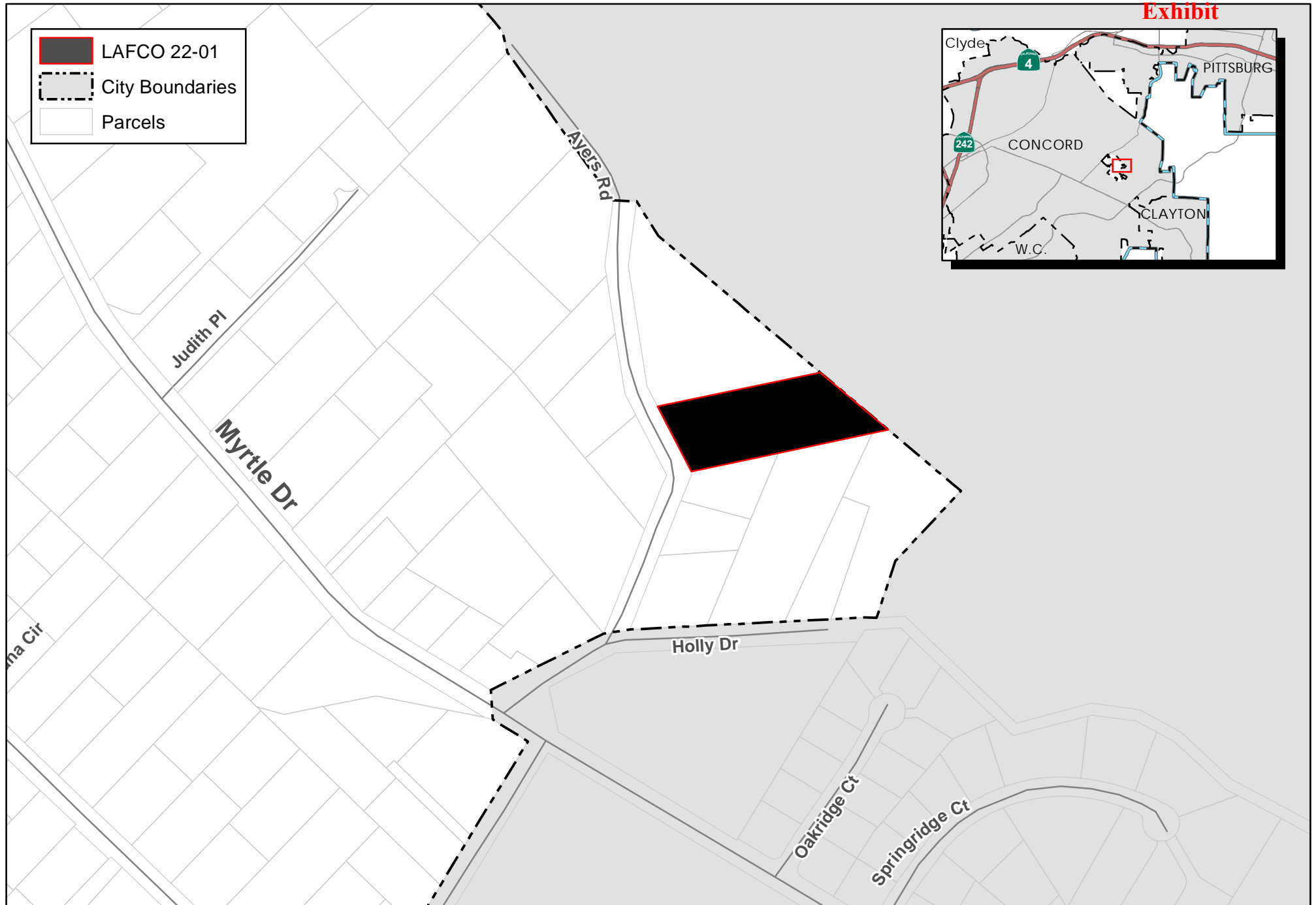
Annexation Map

Attachment

Draft LAFCO Resolution 22-01

c: Anthony & Tina Akins, Landowners
Kevin Marstall, Community Development Director, City of Concord
Mitra Abkenari, Associate Civil Engineer, City of Concord

LAFCO 22-01 Annexation to City of Concord and Detachment from County Service Area P-6 (1974 Ayers Rd)



RESOLUTION NO. 22-01

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING
ANNEXATION TO CITY OF CONCORD AND
DETACHMENT FROM COUNTY SERVICE AREA (CSA) P-6
AKINS PROPERTY**

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code); and

WHEREAS, the Executive Officer has examined the application and executed her certification in accordance with law, determining and certifying that the filing is sufficient; and

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

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations therein, and the report and related information were presented to and considered by the Commission; and

WHEREAS, at a public hearing held on September 14, 2022, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental documents and determinations, applicable General and Specific Plans, consistency with the sphere of influence, contiguity with the City and district boundaries, and related factors and information including those contained in Gov. Code §56668; and

WHEREAS, information satisfactory to the Commission has been presented that no affected landowners/registered voters within the subject area object to the proposal; and

WHEREAS, the applicant has delivered to LAFCO an executed indemnification agreement proving for the applicant to indemnify LAFCO against any expenses arising from any legal actions to challenge the annexation; and

WHEREAS, the Local Agency Formation Commission determines the proposal to be in the best interest of the affected area and the organization of local governmental agencies within Contra Costa County.

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

1. Find that the project is exempt from CEQA pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15303(a).
2. The annexation to the City of Concord and detachment from CSA P-6 of 1.42± acres is hereby approved.

3. Defer issuing the LAFCO Certificate of Completion until September 30, 2023, to allow the property owners time to obtain permits from the County and complete construction.
4. The subject proposal is assigned the distinctive short-form designation:
**ANNEXATION TO CITY OF CONCORD AND DETACHMENT FROM CSA P-6
AKINS PROPERTY**
5. The boundary of the affected territory is found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
6. The subject territory is liable for any authorized or existing taxes, charges, and assessments comparable to properties within the annexing agency.
7. The subject territory is uninhabited.
8. No affected landowners or registered within the subject area object to the proposal, and the conducting authority (protest) proceedings are hereby waived.
9. All subsequent proceedings in connection with this annexation/detachment shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

* * * * *

PASSED AND ADOPTED THIS 14th day of September 2022, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: September 14, 2022

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT
September 14, 2022

September 14, 2022
Agenda Item 8

LAFCO 22-05

City of Martinez - Out of Agency Service Request – 2567 Reliez Valley Road

SYNOPSIS

This is a request by the City of Martinez to provide municipal water service outside its jurisdictional boundary to one parcel (APN 365-150-015) located at 2567 Reliez Valley Road in unincorporated Martinez (Exhibit A). The lot is approximately 20,000 square feet and is currently vacant. The landowner proposes to construct one single-family home on the parcel.

The County's General Plan designation for the parcel is Single Family Residential – Low density and the County's zoning is R-20 (20,000 sq. ft. minimum). The City of Martinez current General Plan designation for the subject property is *Conservation Use Land* (CUL), and the proposed 2035 General Plan designation is *Alhambra Valley Estate Residential – Low* (AV-ERL). The property currently does not have a City zoning designation. The subject property is located within the City's sphere of influence (SOI) and within the Urban Limit Line. Surrounding land uses include single family residential – low density to the south, northwest and west, and open space to the east (City of Martinez). The City is currently providing water service to existing homes in proximity to the subject property. The subject property is adjacent to the City boundary with Alhambra Valley Road separating the City boundary from the subject parcel. The City indicates that annexing a single parcel is not practical at this time. The subject parcel is also within the Central Contra Costa Sanitary District (CCCSD) service boundary.

DISCUSSION

Statutory Framework – Out of Agency Service (OAS) – The Government Code (GC) and local LAFCO policies regulate the extension of out of agency service. GC §56133 states that “*A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundary only if it first requests and receives written approval from the Commission.*” LAFCO may authorize a city or district to provide new or extended services under specific circumstances: a) outside the agency's jurisdictional boundary but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundary and outside its SOI in response to an existing or impending threat to the public health or safety.

LAFCO's Policy - The Commission's current policies regarding OAS are consistent with State law in that annexations to cities and special districts are generally preferred for providing municipal services. However, there may be situations where health and safety, emergency service, or other concerns warrant OAS. Historically, OAS is considered a temporary measure, typically in response to an existing or impending public health and safety threat (e.g., failing septic system, contaminated well); or in anticipation of a future annexation.

City's Prior and Future Commitment to Annexations – As noted in LAFCO's previous Municipal Service Reviews (MSRs), the City is providing water services beyond its corporate limits to over 1,500 water connections. Since 2012, the City has submitted 22 OAS applications to LAFCO, most of which have been in the Alhambra Valley, Mt. View, and Pacheco areas. The LAFCO MSRs recommend that the City of Martinez annex areas receiving city services, as appropriate.

In response to LAFCO's concerns regarding the use of OAS, the Martinez City Council has taken various actions demonstrating its commitment to annexation of these areas a summarized below.

- In 2012, the City successfully annexed a portion of the Alhambra Valley, and attempted to annex North Pacheco; however, the annexation was rejected by the voters.

- The City Council adopted resolutions stating the City's intent to pursue annexation of the Alhambra Valley area by 2020, and annexation of the Pacheco Boulevard corridor including the Mt. View area by the year 2030.
- In June 2019, the City provided LAFCO with an update indicating that the City Council identified annexations as one of its top five goals over the next two years, and within the next year will explore an annexation study for the Mt. View/Pacheco Corridor and the Alhambra Valley areas.
- On October 23, 2019, the Martinez City Council hosted a community workshop to discuss annexation of the Alhambra Valley, Mountain View, North Pacheco and Vine Hill areas. The City Council agreed to move forward with an annexation study.

Further, the City requires property owners to sign and record a deferred annexation agreement (DAA) when applying for OAS. The City of Martinez delivered to LAFCO and recorded and executed pre-annexation agreement.

Consistency with LAFCO Policies – Contra Costa LAFCO's policies are consistent with GC §56133, in that OAS can be extended either in response to a threat to the health and safety of the public (e.g., failed septic system, contaminated or dry well, etc.), or in anticipation of annexation. The LAFCO policies contain the following provisions which are relevant to this proposal:

3) Objective – Out of agency service is generally not intended to support new development.

The OAS request is intended to serve development of a single-family residential unit.

4) Out of Agency Service Policies: General Statements

- a) *Annexation to cities and special districts involving territory located within the affected agency's SOI is generally preferred to out of agency service.*

The subject parcel is not immediately contiguous to the City boundary due to a roadway and cannot be annexed at this time. Properties to the east and southeast are within the City boundary.

- b) *LAFCO will consider applicable MSRs and discourage out of agency service extensions that conflict with adopted MSR determinations or recommendations.*

The previous LAFCO MSRs recommended annexing properties that are receiving, or will require, City water service, as appropriate. The City has committed to the future annexation of the Alhambra Valley by 2020.

- c) *If immediate annexation (i.e., within 12 months) is not a feasible alternative, then the extension of services may be approved in anticipation of a later annexation if the agency provides LAFCO with a resolution of intent to annex, as well as appropriate assurances (e.g., rezoning, plan for annexation, deferred annexation agreement, etc.) which demonstrate that out of agency service is an intermediate step toward eventual annexation.*

The City indicated its commitment to the future study and annexation of the Alhambra Valley. The City has also obtained and recorded a DAA on the subject parcel.

Water Supply to the Subject Property – The subject property is in the Alhambra Valley, which is characterized by low density single family residential use including the Stonehurst subdivision and open space. The Alhambra Valley area is within both the City's and Contra Costa Water District's (CCWD) water service areas.

The City receives untreated imported water from CCWD via the Contra Costa Canal, which is part of the Central Valley Project developed by the U.S. Bureau of Reclamation. The water is sold to Martinez based on CCWD's rate structure per unit of water delivered. This represents 100 percent of the water supply for the City's water service area.

The City indicates it has adequate water to serve the subject property. Water service will be provided from the existing 6-inch main on Reliez Valley Road and a 16-inch water transmission line parallel to the 6-inch water main. The City indicates that the existing 6-inch water main has adequate capacity and pressure to serve the property. The water service lateral will consist of approximately 45 linear feet of one-inch diameter pipe, a water meter, and a backflow prevention device. The service will include a combined domestic and fire service for the proposed new home. The City estimates the water demand for one single family home will be approximately 365-380 gallons per day and will not have an adverse impact on the City's capacity. All required construction costs will be borne by the property owner.

Environmental Review – The City of Martinez found the extension of water service to the subject parcel exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15303(d) and prepared a Notice of Exemption. The LAFCO Environmental Coordinator has reviewed the City's CEQA documentation and finds it adequate for LAFCO purposes.

ALTERNATIVES FOR COMMISSION ACTION

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation of local agency boundaries and facilitating the efficient provision of public services. The CKH provides that LAFCO can approve with or without amendments, wholly, partially, or conditionally, or deny a proposal. The statute also provides LAFCO with broad discretion in terms of imposing terms and conditions. The following options and recommended terms and conditions are presented for the Commission's consideration.

Option 1 **Approve** the OAS request as proposed and approve Resolution No. 22-05 (Attachment 1).

- A. Find that the project is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15303(d).
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 365-150-015 located at 2567 Reliez Valley Road in unincorporated Martinez subject to the following terms and conditions:
 - 1. Water infrastructure and service is limited to one single family dwelling unit, and
 - 2. The City of Martinez must provide LAFCO with an update by December 31, 2022 regarding the City's future plans to annex the Alhambra Valley.

Option 2 **Deny** the request, thereby prohibiting the City of Martinez from providing water service to the subject property.

Option 3 **Continue** this matter to a future meeting to obtain more information.

RECOMMENDATION: Option 1

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

Exhibit

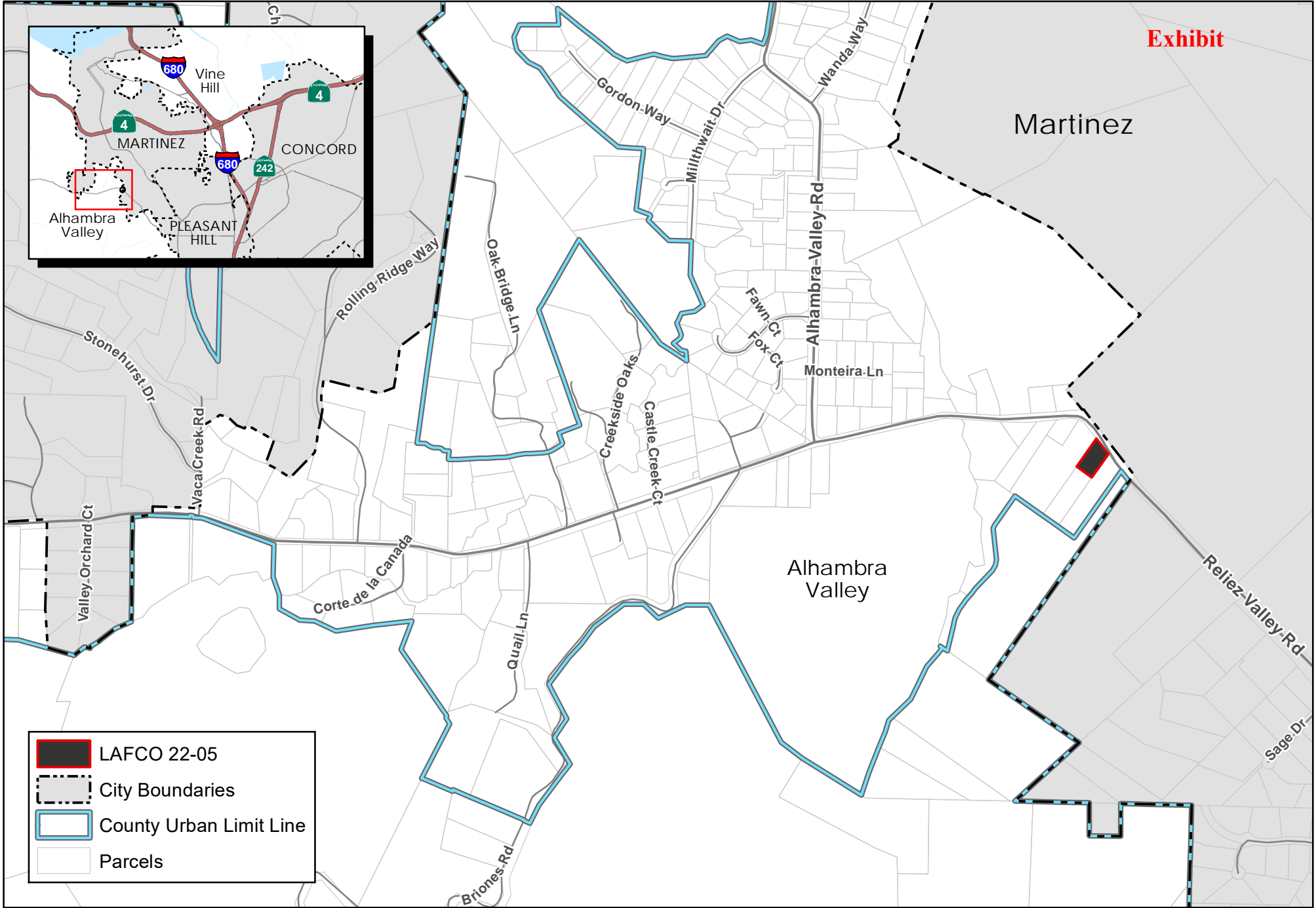
- A. Map of Property APN 365-150-015 (2567 Reliez Valley Road)

Attachment

- 1. Draft LAFCO Resolution 22-05

c: Hector Rojas, City of Martinez, Planning Manager
 Khalil Yowakim, City of Martinez, Senior Civil Engineer
 Armando & Marcela Sanchez, Landowners

LAFCO 22-05 – City of Martinez - Out of Agency Service (2567 Reliez Valley Road - Martinez)



Exhibit

RESOLUTION NO. 22-05

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE CITY OF MARTINEZ TO PROVIDE
OUT-OF-AGENCY WATER SERVICE TO APN 365-150-015 (2567 RELIEZ VALLEY ROAD)**

WHEREAS, the above-referenced request was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Section 56000 et seq.); and

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

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation; and

WHEREAS, out of agency service approval is needed in order to provide water services to the property to facilitate construction of one single-family home; and

WHEREAS, the City of Martinez and the property owner have entered into a Deferred Annexation Agreement (DAA) in support of a future annexation of the property to the City of Martinez.

WHEREAS, the City of Martinez has delivered to LAFCO an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the out of agency service.

NOW, THEREFORE, BE IT RESOLVED DETERMINED, AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. Find that the project is exempt from CEQA pursuant to section 15303(d) of the CEQA Guidelines, consistent with the determination of the City of Martinez, as Lead Agency.
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 365-150-015 located at 2567 Reliez Valley Road in unincorporated Contra Costa County (Martinez area) subject to the following terms and conditions:
 - 1. Water infrastructure and service is limited to one single-family residential unit on the subject parcel, and
 - 2. The City of Martinez must provide LAFCO with an update by December 31, 2022, regarding the City's future plans to annex the Alhambra Valley.
- C. Approval to extend City of Martinez services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED THIS 14th day of September 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: September 14, 2022

Lou Ann Texeira, Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 14, 2022 (Agenda)

September 14, 2022
Agenda Item 9

LAFCO 22-06 West County Wastewater District - Out of Agency Service Request (155 and 177 Parr Blvd)

SYNOPSIS

This is a request by the West County Wastewater District (WCWD) to provide municipal wastewater service outside its jurisdictional boundary to two parcels located at 155 and 177 Parr Blvd in unincorporated Richmond. The parcels (APNs 408-090-055 and 408-130-041) total 26.38± acres as shown on Exhibit A.

Currently, APN 408-090-055 has one incomplete structure and APN 408-130-041 is vacant at this time. Construction of two warehouses is proposed for the site. The landowner received an approval from the County, and walls are erected. Building and utilities construction are pending. The parcels are contiguous to the District's service boundary and within WCWD's sphere of influence (SOI).

The County's General Plan designation for the parcels is Heavy Industry (HI) and the County's zoning designation is Planned Unit (P-1). The subject parcels are located within the Urban Limit Line.

DISCUSSION

Statutory Framework - The Government Code ("GC") and local LAFCO policies regulate the extension of out of agency service. GC §56133 states that "*a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission.*" LAFCO may authorize a city or district to provide new or extended services under specific circumstances: a) outside the agency's jurisdictional boundary but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundary and outside its SOI in response to an existing or impending threat to the public health or safety.

LAFCO's Policy - The Commission's current policies regarding out of agency service are consistent with State law in that annexations to cities and special districts are generally preferred for providing municipal services. However, there may be situations where health and safety, emergency service, or other concerns warrant out of agency service. Historically, out of agency service is considered a temporary measure, typically in response to an existing or impending public health and safety threat (e.g., failing septic system, contaminated well), or in anticipation of a future annexation.

LAFCO policies contain the following provisions which are relevant to this proposal:

3) *Objective – Out of agency service is generally not intended to support new development.*

The out of agency service request is intended to serve to proposed warehouses.

4) *Out of Agency Service Policies: General Statements*

- a) *Annexation to cities and special districts involving territory located within the affected agency's SOI is generally preferred to out of agency service.*

The subject parcel is contiguous to the District's boundary and can be annexed.

- b) *LAFCO will consider applicable MSRs and discourage out of agency service extensions that conflict with adopted MSR determinations or recommendations.*

The previous LAFCO MSRs recommended annexing properties that are receiving, or will require, wastewater service, as appropriate. The LAFCO MSRs also recommend maintaining logical and orderly boundaries and avoiding creation of islands.

5) *Form of Request*

Request in Anticipation of Annexation

An out of agency service application must be accompanied by a change of organization or reorganization

application, including an approved tax sharing agreement, in order for LAFCO to determine that the out of agency service is in anticipation of a change of organization (i.e., annexation) within the next 12 months. This dual application requirement may be waived in certain situations by the Commission if compelling justification is provided. Circumstances which may warrant such a waiver include, but are not limited to, the following:

- *Lack of contiguity (e.g., city boundary) when the project was approved prior to 2011*
- *Service is only needed to serve a portion of a larger parcel, and annexation of the entire parcel is not desirable*
- *Other circumstances which are consistent with LAFCO statute and the policies of Contra Costa LAFCO*

If immediate annexation (i.e., within 12 months) is not a feasible alternative, then the extension of services may be approved in anticipation of a later annexation if the agency provides LAFCO with a resolution of intent to annex, as well as appropriate assurances (e.g., plan for annexation, pre-annexation agreement, etc.), which demonstrate that out of agency service is an intermediate step toward eventual annexation.

Given the subject parcels are contiguous to the District's boundary, annexation is possible.

Analysis – WCWD serves approximately 34,000 residences and 2,450 commercial and industrial businesses, with a total population of approximately 100,000 in the cities of Pinole, Richmond and San Pablo, and the unincorporated areas of East Richmond Heights, Bayview, El Sobrante, Rollingwood, and Tara Hills.

The District requests to provide municipal wastewater service outside its jurisdictional boundary to two parcels located at 155 and 177 Parr Blvd in unincorporated Richmond. The law permits LAFCO to authorize WCWD to extend services outside its jurisdictional boundary either in response to an existing or impending threat to the public health or safety, or in anticipation of an annexation. There is currently no public health or safety threat on the subject parcels; thus, the proposed out of agency service is in anticipation of a future annexation.

Regarding infrastructure needed to serve the subject area, WCWD sewer mains are located on Parr Blvd and are within 30-40 feet of the subject parcels. Sewer laterals will be constructed on the parcels to connect to WCWD sewer mains. The landowners will complete construction necessary to connect to WCWD's collection system. The estimated improvement costs are approximately \$202,083. The landowner is responsible for paying all fees and costs for infrastructure improvements. It is estimated that the two warehouses will generate approximately 10,479 gallons of wastewater per day.

Environmental Review – In conjunction with the Scannell Properties warehouse project, Contra Costa County, as Lead Agency, prepared and certified an Environmental Impact Report (EIR) and Mitigation and Monitoring Reporting Program. The LAFCO Environmental Coordinator has reviewed the County's CEQA documentation and finds it adequate for LAFCO purposes.

Indemnification Agreement - WCWD has delivered to LAFCO an executed indemnification agreement providing for WCWD to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service.

ALTERNATIVES FOR COMMISSION ACTION

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation and determination of local agency boundaries and facilitating the efficient provision of public services. The *Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000* provides that LAFCO can approve or disapprove with or without amendments, wholly, partially, or conditionally, a proposal. The statute also provides LAFCO with broad discretion in terms of imposing terms and conditions. The following options and recommended terms and conditions are presented for the Commission's consideration.

Option 1 **Approve** the attached resolution approving the extension of out of agency wastewater service conditioned the following, including submittal of an annexation application.

- A. Find that, as a responsible agency under CEQA, LAFCO has reviewed and considered the environmental effects of the warehouse project in Contra Costa County's Environmental Impact Report for the warehouse project. LAFCO finds that all changes or alterations in the project that avoid or substantially lessen its environmental effects are within the responsibility and jurisdiction of the County and not LAFCO, and that these changes have been, or can and should be, adopted by the County as lead agency.
- B. Authorize WCWD to extend wastewater service outside its jurisdictional boundary to APNs 408-090-055 and 408-130-041 (26.38± acres) located at 155 and 177 Parr Blvd in unincorporated Richmond subject to the following terms and conditions:
 - 1. Sewer infrastructure and service is limited to the proposed two warehouses, and
 - 2. A commitment from the landowners to submit to LAFCO an application to annex the subject parcels to WCWD, along with the applicable annexation fees, by September 30, 2023.

Option 2 **Approve** the attached resolution approving the extension of out of agency wastewater service conditioned the following:

- A. Find that, as a responsible agency under CEQA, LAFCO has reviewed and considered the environmental effects of the warehouse project in Contra Costa County's Environmental Impact Report for the warehouse project. LAFCO finds that all changes or alterations in the project that avoid or substantially lessen its environmental effects are within the responsibility and jurisdiction of the County and not LAFCO, and that these changes have been, or can and should be, adopted by the County as lead agency.
- B. Authorize WCWD to extend wastewater service outside its jurisdictional boundary to APNs 408-090-055 and 408-130-041 (26.38± acres) located at 155 and 177 Parr Blvd in unincorporated Richmond subject to the following terms and conditions:
 - 1. Sewer infrastructure and service is limited to the proposed two warehouses.

Option 3 Deny the request, thereby prohibiting WCWD from providing wastewater service to the subject parcels.

Option 3 **Continue** this matter to a future meeting to obtain more information.

RECOMMENDATION: Option 1

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

Exhibit

- A. Map of Subject Parcels (APNs 408-090-055 and 408-130-041)

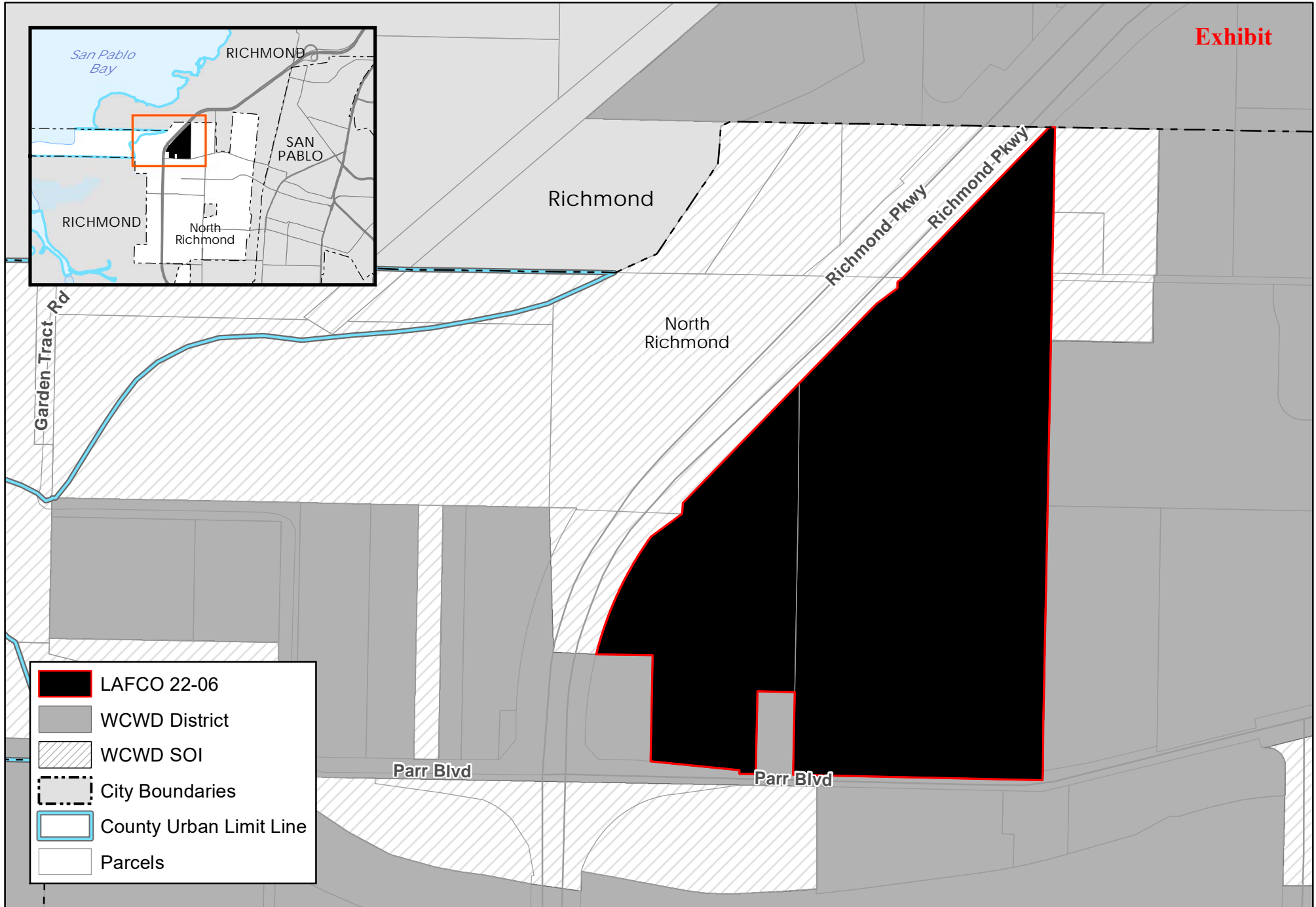
Attachment

- 1. Draft LAFCO Resolution 22-06

c: Marcus McNeil, Engineer II, West County Wastewater District
Mac Carlson, Scannell Properties LLC

LAFCO 22-06 – West County Wastewater District - Out of Agency Service (155 & 177 Parr Blvd - Richmond)

Exhibit



- LAFCO 22-06
- WCWD District
- WCWD SOI
- City Boundaries
- County Urban Limit Line
- Parcels

RESOLUTION NO. 22-06

Attachment

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING WEST COUNTY WASTEWATER DISTRICT TO PROVIDE
OUT-OF-AGENCY WASTEWATER SERVICE TO 155 and 177 PARR BLVD - RICHMOND**

WHEREAS, the above-referenced request was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Section 56000 et seq.); and

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

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation; and

WHEREAS, out of agency service approval is needed to provide wastewater services to the subject properties to facilitate construction of two warehouses; and

WHEREAS, the West County Wastewater District (WCWD) delivered to LAFCO an executed indemnification agreement providing for the District to indemnify LAFCO against any expenses arising from any legal actions challenging the out of agency service.

NOW, THEREFORE, BE IT RESOLVED DETERMINED, AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA), and in accordance with CEQA, makes the following findings and determinations:

As to the Scannell Properties Project, the Commission has considered the environmental effects of the project as shown in Contra Costa County's Environmental Impact Report (September 2021). The Commission finds that all changes or alterations in the project that avoid or substantially lessen its significant environmental effects are within the responsibility and jurisdiction of the County and not LAFCO, and that these changes have been, and can and should be, adopted by the County as the lead agency.

- B. Authorize the WCWD to extend wastewater service outside its jurisdictional boundary to APNs 408-090-055 and 408-130-041 located at 155 and 177 Parr Blvd (Richmond) subject to the following terms and conditions:
1. Wastewater infrastructure and service is limited to two warehouses on the subject parcels, and
 2. The WCWD has delivered to LAFCO an executed indemnification agreement providing for the District to indemnify LAFCO against any expenses arising from any legal actions to challenging the out of agency service, and
- C. Approval to extend WCWD services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED THIS 14th day of September 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

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

Dated: September 14, 2022

Lou Ann Teixeira, Executive Officer



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

40 Muir Road, 1st Floor • Martinez, CA 94553

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

(925) 313-7133

Lou Ann Teixeira
Executive Officer

MEMBERS

Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Tom Butt
City Member

Patricia Bristow
Special District Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Stanley Caldwell
Special District Member

Charles R. Lewis, IV
Public Member

Edi Birsan
City Member

September 14, 2022
Agenda Item 10

September 14, 2022 (Agenda)

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

Actuarial Evaluation – Post-Employment Medical Benefits Plan
GASB 75 Supplemental Schedules – Measurement Period July 1, 2020 to June 30, 2021

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 prefunding the post-employment healthcare liability. In FY 2011-12, the Commission began funding this liability initially at \$10,000 per year as part of the LAFCO budget.

LAFCO's plan also includes 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).

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 actuarial evaluations. 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. In response to recent statutory changes, LAFCO is required to prepare these evaluations at least every other year. The information contained in the AMM is also used in preparing LAFCO's annual audits and budgets.

Since March 2014, LAFCO has completed eight actuarial evaluations/supplemental schedules. In FY 2015-16, following completion of its first actuarial evaluation, the Commission increased its annual pre-funding for Other Post-Employment Benefits (OPEB) from \$10,000 to \$40,000 per year. Since FY 2015-16, LAFCO's annual OPEB pre-funding has fluctuated between \$25,000 and \$40,000 per year.

Each GASB report has a different purpose. The actuarial valuation report provides details of the biennial study; it summarizes the updated census and premium information used in the study. The supplemental schedules pertain specifically to the information for the LAFCO's June 30, 2022 financial statements. For reporting purposes, LAFCO reports amounts one year in arrears. For June 30, 2022, the plan's funded position on June 30, 2021 is reported.

The most recent actuarial evaluation, ***GASB 75 Supplemental Schedule - Measurement Period July 1, 2020 to June 30, 2021*** (attached), provides information applicable to the measurement period. 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, 2021. The report also shows that as of June 30, 2021, LAFCO has accrued \$367,356 which is held in the PARS trust account. The recent GASB reports indicates that LAFCO's prefunding amount is sufficient. Overall, LAFCO's long-term rate of return is approximately 5.75% and LAFCO is slightly overfunded approximately - both affirmative indicators.

RECOMMENDATION: Informational report – no action needed.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments

1. GASB Statement No. 75 – Actuarial Valuation as of July 1, 2021
2. Supplemental Schedules – 7/1/20 - 6/30/21 – Measurement Period

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



September 6, 2022

Lou Ann Texeira
Executive Officer
Contra Costa Local Agency Formation Commission
40 Muir Rd 1st Fl
Martinez, CA 94553

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

Dear Lou Ann:

This report sets forth the results of our GASB 75 actuarial valuation of the Agency's retiree health insurance program as of July 1, 2021.

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

A handwritten signature in blue ink, appearing to read 'Carlos Diaz', is positioned above the printed name.

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 5.75%. This rate is based on our best estimate of expected long-term plan experience for funded plans such as the Agency's. The results are intended to help (1) in comparing financial results from the previous valuation and (2) in long-term budget and strategic planning (without regard to short-term volatility in municipal bond indices). Results specific to 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 \$479,384 as of July 1, 2021. If the Agency were to place this amount in a fund earning interest at the rate of 5.75% 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 \$479,384 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is \$387,795 as of July 1, 2021. 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 \$387,795 is comprised of liabilities of \$299,806 for active employees and \$87,989 for retirees.

The Agency has adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of July 1, 2021, the trust balance, or Plan Fiduciary's Net Position (GASB 75) is \$399,443.

The Net OPEB Liability, equal to the Total OPEB Liability over the Plan Fiduciary's Net Position, is \$(11,648).

This valuation includes benefits for four 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.

ASOP 6 – Age-Specific Costs and Implicit Cost

We have projected average premiums to be sufficient to cover projected age-specific costs. Therefore, no implicit cost is included in the Total OPEB Liability.

Actuarial Standard of Practice No. 6 (ASOP 6) provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary should use age-specific costs in the development of the initial per capita costs and in the projection of future benefit plan costs.

The implicit cost represents the value of age-specific claims over average premiums. To determine age-specific claims, we used an age-specific claim cost matrix fitted to the average premium charged by the Agency.

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 5.75% for GASB 75 reporting purposes:

| | |
|---|-------|
| Long-Term Expected Return on Assets | 5.75% |
| Fidelity General Obligations AA - 20 Years Index on June 30, 2021 | 1.92% |
| GASB 75 Discount Rate | 5.75% |

GASB 75 Results (continued)

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

| | July 1, 2021 ¹ | | |
|---|---------------------------|----------------------|--------------|
| | Long-Term Return | Municipal Bond Index | GASB 75 Rate |
| Discount Rate | 5.75% | 1.92% | 5.75% |
| Present Value of Future Benefits | | | |
| Active | \$391,395 | \$627,840 | \$391,395 |
| Retired | 87,989 | 109,963 | 87,989 |
| Total | \$479,384 | \$737,803 | \$479,384 |
| Total OPEB Liability (Actuarial Liability) | | | |
| Active | \$299,806 | \$454,567 | \$299,806 |
| Retired | 87,989 | 109,963 | 87,989 |
| Total | \$387,795 | \$564,530 | \$387,795 |
| Plan Fiduciary Net Position (Plan Assets) | \$399,443 | \$399,443 | \$399,443 |
| Net OPEB Liability (Unfunded Actuarial Liability) | \$(11,648) | \$165,087 | \$(11,648) |
| Sensitivity Analysis | | | |
| 1% Decrease in Discount Rate | 4.75% | 0.92% | 4.75% |
| Total OPEB Liability | \$423,770 | \$633,882 | \$423,770 |
| Net OPEB Liability | \$24,327 | \$234,439 | \$24,327 |
| 1% Increase in Discount Rate | 6.75% | 2.92% | 6.75% |
| Total OPEB Liability | \$356,901 | \$506,793 | \$356,901 |
| Net OPEB Liability | \$(42,542) | \$107,350 | \$(42,542) |
| 1% Decrease in Trend Rate ^a | | | |
| Total OPEB Liability | \$387,795 | \$564,531 | \$387,795 |
| Net OPEB Liability | \$(11,648) | \$165,088 | \$(11,648) |
| 1% Increase in Trend Rate ^b | | | |
| Total OPEB Liability | \$387,795 | \$564,531 | \$387,795 |
| Net OPEB Liability | \$(11,648) | \$165,088 | \$(11,648) |

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

^a 5.00% for 2021 decreasing to 4.50% for 2023, 4.20% for 2024-2069, and 3.00% for 2070 and later years; Medicare ages: 3.00% for all years.

^b 7.00% for 2021 decreasing to 6.50% for 2023, 6.20% for 2024-2069, and 5.00% for 2070 and later years; Medicare ages: 5.00% for all years.

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, 2022: 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 5.75% investment rate of return. Other components (Deferred Outflows and Inflows) will be determined based on the Net OPEB Obligation as of June 30, 2022.

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, 2021 | | |
|--|------------------|----------------------|--------------|
| | Long-Term Return | Municipal Bond Index | GASB 75 Rate |
| Discount Rate | 5.75% | 1.92% | 5.75% |
| Components of Net OPEB Expense for 2021-22 | | | |
| Service Cost | \$11,459 | \$18,761 | \$11,459 |
| Interest Cost | 21,980 | 10,870 | 21,980 |
| Expected Return on Assets | (22,968) | (22,968) | (22,968) |
| Total ² | \$10,471 | \$6,663 | \$10,471 |
| Actuarially Determined Contribution (2021-22) | | | |
| Service Cost with Interest | \$11,784 | \$18,940 | \$11,784 |
| Amortization of Net OPEB Liability ³ | (570) | 4,748 | (570) |
| Total ⁴ | \$11,214 | \$23,688 | \$11,214 |
| Pay-As-You-Go Payment with Implied Subsidy (2021-22) | | | |
| Projected Pay-As-You-Go | \$34,476 | \$34,476 | \$34,476 |
| Projected Implied Subsidy | 0 | 0 | 0 |
| Total | \$34,476 | \$34,476 | \$34,476 |

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, 2022.

³ 30-year amortization (as a level percent of pay).

⁴ Estimated Actuarially Determined Contribution for subsequent year.

| | Long-Term Return | Municipal Bond Index | GASB 75 Rate |
|---|------------------|----------------------|--------------|
| Actuarially Determined Contribution for 2022-23 | \$11,551 | \$24,398 | \$11,551 |

GASB 75 Results (continued)

Schedule of Changes in Net OPEB Liability (July 1, 2020 to June 30, 2021)

| | |
|--|------------|
| 1. Total OPEB Liability | |
| a. Total OPEB Liability on July 1, 2020 ⁸ | \$351,331 |
| b. Service Cost ⁹ | 13,418 |
| c. Interest Cost | 13,972 |
| d. Benefit Payments ¹⁰ | (31,217) |
| e. Changes in plan provisions ¹¹ | 0 |
| f. Difference between expected and actual experience ¹² | 100,655 |
| g. Changes in assumptions and other inputs ¹² | (60,364) |
| h. Total OPEB Liability on July 1, 2021 | \$387,795 |
| 2. Plan Fiduciary Net Position | |
| a. Plan Fiduciary Net Position on July 1, 2020 ⁸ | \$283,868 |
| b. Contributions ¹⁰ | 71,217 |
| c. Expected Investment Income | 12,484 |
| d. Benefit Payments ¹⁰ | (31,217) |
| e. Net Transfers | 0 |
| f. Difference between actual and expected return on assets ¹² | 63,091 |
| g. Plan Fiduciary Net Position on July 1, 2021 | \$399,443 |
| 3. Net OPEB Liability: (1h) - (2g) | (\$11,648) |
| 4. Discount Rate | |
| a. July 1, 2020 | 4.00% |
| b. July 1, 2021 | 5.75% |

⁸ From June 30, 2021 disclosure report, based on the July 1, 2019 actuarial valuation.

⁹ Discounted from July 1, 2021 valuation.

¹⁰ Includes credit toward implicit subsidy (if applicable).

¹¹ Included in OPEB Expense.

¹² Deferred (Outflow)/Inflow of Resources established as of June 30, 2021.

GASB 75 Results (continued)

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

| Type | Initial Amount | Date Established | Period (Years) | Annual Recognition ¹³ |
|---|----------------|------------------|----------------|----------------------------------|
| 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 | 937 |
| 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 | 0 |
| 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 | 0 |
| Difference between expected/actual experience | 0 | 06/30/2020 | 0.0 | 0 |
| Difference between expected/actual return on assets | 1,062 | 06/30/2020 | 5.0 | 212 |
| Changes in assumptions or other inputs | 0 | 06/30/2020 | 0.0 | 0 |
| Difference between expected/actual experience | 100,655 | 06/30/2021 | 1.5 | 67,103 |
| Difference between expected/actual return on assets | (63,091) | 06/30/2021 | 5.0 | (12,618) |
| Changes in assumptions or other inputs | (60,364) | 06/30/2021 | 1.5 | (40,243) |
| | | | <i>Total</i> | <i>13,980</i> |

¹³ Charge/(Credit) included in 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 2022, are listed below:

| Healthcare Plan | Monthly Premium | Agency Paid Portion |
|--|-----------------|---------------------|
| Contra Costa Health Plan – Basic Plan A | \$1,031.76 | \$509.92 |
| Contra Costa Health Plan – Medicare Plan A | 512.07 | 420.27 |
| Kaiser Permanente – Basic Plan A | 909.04 | 478.91 |
| Kaiser Permanente – Senior Advantage Plan A | 333.68 | 263.94 |
| Health Net HMO Plan – Basic Plan A | 1,392.39 | 627.79 |
| Health Net Seniority Plus (HNSP) Plan A | 702.90 | 409.69 |
| Health Net CA & OOS PPO Plan – Basic Plan A | 3,234.05 | 604.60 |
| Health Net CA & OOS PPO Plan A with Medicare Parts A&B | 1,246.35 | 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 | 1 |
| 80-84 | 0 |
| 85+ | 2 |
| All Ages | 4 |
| Average Age | 81.5 |

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

| Age | Years of Service | | | | | | | | Total |
|----------|------------------|-----|-------|-------|-------|-------|-------|-----|-------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35+ | |
| <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 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |
| 65+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| All Ages | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 |

Average Age: 64.1
Average Service: 8.5

Actuarial Assumptions

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

Valuation Date: July 1, 2021

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

| | |
|---------------------------|-------|
| Long-term Expected Return | 5.75% |
| Municipal Bond Index | 1.92% |
| GASB 75 | 5.75% |

Salary Increases: 3.00%

Withdrawal: Crocker-Sarason Table T5 less mortality, without adjustment. Sample Rates:

| Age | Rate |
|-----|------|
| 25 | 7.7% |
| 35 | 6.3 |
| 45 | 4.0 |
| 55 | 0.9 |

Pre-retirement Mortality: SOA Pub-2010 General Employee Headcount Weighted, fully generational.

Postretirement Mortality: SOA Pub-2010 General Healthy Retiree Headcount Weighted, fully generational.

Mortality Improvement: Society of Actuaries, 2021 mortality improvement scale (MP-2021)

| Age | Rate |
|-----|--------|
| 59 | 25.0% |
| 60 | 50.0% |
| 61 | 75.0% |
| 62 | 100.0% |

Medical Claim Cost: Annual Per Retiree or Spouse

| Age | Medical | Dental and Vision |
|-----|---------|-------------------|
| 50 | \$8,196 | \$558 |
| 55 | 9,540 | 558 |
| 60 | 11,100 | 558 |
| 64 | 12,936 | 558 |
| 65 | 7,152 | 558 |
| 70 | 6,912 | 558 |
| 75 | 7,476 | 558 |

Implicit Cost Factor: 1.0000

Actuarial Assumptions (continued)

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:

| Year | Pre-Medicare | Medicare | Dental and Vision |
|-----------|--------------|----------|-------------------|
| 2021 | 6.00% | 4.00% | 4.00% |
| 2022 | 5.75% | 4.00% | 4.00% |
| 2023 | 5.50% | 4.00% | 4.00% |
| 2024-2069 | 5.20% | 4.00% | 4.00% |
| 2070+ | 4.00% | 4.00% | 4.00% |

Increase in Employer Cap: None assumed.

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, 2021.

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:

A handwritten signature in blue ink, appearing to read 'Carlos Diaz', is written over a horizontal line.

Carlos Diaz, ASA, EA, MAAA
Actuary



GASB Statement No. 75

Supplemental Schedules

for Contra Costa Local Agency Formation Commission

| | |
|----------------------------|--------------------------------------|
| <i>Reporting Period:</i> | <i>July 1, 2021 to June 30, 2022</i> |
| <i>Measurement Period:</i> | <i>July 1, 2020 to June 30, 2021</i> |
| <i>Valuation Date:</i> | <i>July 1, 2021 (June 30, 2021)</i> |

September 6, 2022

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

GASB 75 Disclosure Information

Note to Auditors

DFA, LLC (DFA) has prepared the following supplemental schedules to accompany the Agency's actuarial valuation as of July 1, 2021 (June 30, 2021) to (1) facilitate preparation of GASB 75 reporting and (2) to provide information that (if applicable) was not determinable as of the valuation date. We have prepared this supplement based on the results of our actuarial valuation and (if applicable) subsequent projections. We are available to discuss and reconcile any differences between your records and our calculations.

Our actuarial valuation report is intended to comply with GASB 75's valuation requirements (at least one every two years); the following schedules are intended to provide the reporting information specific to the applicable reporting period (July 1, 2021 to June 30, 2022), with updates to the measurement date (June 30, 2021).

Notes to the Financial Statements for the Year Ended June 30, 2022

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. On July 1, 2021, the most recent valuation date, membership consisted of the following:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefit payments | 4 |
| Active plan members | 2 |

Contributions. The contribution requirements of Plan members and the Agency are established and amended by the Agency. The Agency has an irrevocable trust account with Public Agency Retirement Services (PARS).



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

GASB 75 Disclosure Information

Net OPEB Liability

The Agency's Net OPEB Liability was measured as of June 30, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2021 (June 30, 2021). 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:

| | |
|---|--|
| Actuarial cost method | Entry Age, Level Percent of Pay |
| Valuation of fiduciary net position | Fair value of assets. |
| Recognition of deferred inflows and outflows of resources | Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB |
| Salary increases | 3.00 percent |
| Inflation rate | 2.75 percent |
| Investment rate of return | 5.75 percent, net of OPEB plan investment expense |
| Healthcare cost trend rate | 6.00 percent for 2021 decreasing to 5.50 percent for 2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years. |
| Preretirement Mortality | SOA Pub-2010 General Employee Headcount Weighted, fully generational. |
| Postretirement Mortality | SOA Pub-2010 General Healthy Retiree Headcount Weighted, fully generational. |
| Mortality Improvement: | Society of Actuaries, 2021 mortality improvement scale (MP-2021) |

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

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% |

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

GASB 75 Disclosure Information

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 | Fidelity GO AA 20 Years Municipal Index | Discount Rate |
|----------------|------------------|---|---|---------------|
| June 30, 2021 | June 30, 2020 | 4.00% | 2.45% | 4.00% |
| June 30, 2022 | June 30, 2021 | 5.75% | 1.92% | 5.75% |

**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 | 387,795 |
| Plan fiduciary net position | 399,443 |
| Net OPEB liability | \$(11,648) |
| Measurement date | June 30, 2021 |
| Reporting date | June 30, 2022 |
| Covered employee payroll | \$280,000 |
| Net OPEB liability (asset) as a percentage of covered payroll | -4.16% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 103.00% |

Schedule of Changes in Net OPEB Liability (June 30, 2020 to June 30, 2021)

| | |
|--|-------------------|
| Total OPEB Liability | |
| Service Cost | 13,418 |
| Interest | 13,972 |
| Changes of benefit terms | 0 |
| Difference between expected and actual experience | 100,655 |
| Changes in assumptions or other inputs | (60,364) |
| Benefit payments ¹ | (31,217) |
| Net change in total OPEB liability | 36,464 |
| Total OPEB liability – June 30, 2020 (a) | \$351,331 |
| Total OPEB liability – June 30, 2021 (b) | \$387,795 |
| Plan fiduciary net position | |
| Contributions – employer ¹ | 71,217 |
| Other income – adjustment | 0 |
| Net investment income | 75,754 |
| Benefit payments ¹ | (31,217) |
| Trustee fees | (179) |
| Administrative expenses | 0 |
| Other disbursements – reimbursement to employer | 0 |
| Net change in plan fiduciary net position | 115,575 |
| Plan fiduciary net position – June 30, 2020 (c) | \$283,868 |
| Plan fiduciary net position – June 30, 2021 (d) | \$399,443 |
| Net OPEB liability – June 30, 2020 (c) – (a) | \$67,463 |
| Net OPEB liability – June 30, 2021 (d) – (b) | \$(11,648) |

¹ Amount includes any implicit subsidy associated with benefits paid (see Footnote 2).

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

GASB 75 Disclosure Information

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 (4.75%) | Discount Rate (5.75%) | 1% Increase (6.75%) |
|----------------------------|------------------------|--------------------------|------------------------|
| Net OPEB liability (asset) | 24,327 | (11,648) | (42,542) |

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 ² | Trend Rate | 1% Increase ³ |
|----------------------------|--------------------------|------------|--------------------------|
| Net OPEB liability (asset) | (11,648) | (11,648) | (11,648) |

² 5.00 percent for 2021 decreasing to 4.50 percent for 2023, 4.20 percent for 2024-2069, and 3.00 percent for 2070 and later years; Medicare ages: 3.00 percent for all years.

³ 7.00 percent for 2021 decreasing to 6.50 percent for 2023, 6.20 percent for 2024-2069, and 5.00 percent for 2070 and later years; Medicare ages: 5.00 percent for all years.

**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 | 399,443 |
| Total Investments | 399,443 |
| Total Assets | 399,443 |
| Liabilities | |
| Payables | 0 |
| Total Liabilities | 0 |
| Net position restricted for postemployment benefits other than pensions | \$399,443 |
| Measurement date | June 30, 2021 |
| Reporting date | June 30, 2022 |

Statement of Changes in Fiduciary Net Position

| | |
|--|-----------|
| Additions | |
| Employer contributions ⁴ | 71,217 |
| Other income – adjustment | 0 |
| Net increase in fair value of investments | 75,754 |
| Total additions | 146,971 |
| Deductions | |
| Trustee fees | 179 |
| Administrative expenses | 0 |
| Benefit payments ⁴ | 31,217 |
| Other disbursements – reimbursement to employer | 0 |
| Total deductions | 31,396 |
| Net increase in net position | 115,575 |
| Net position restricted for postemployment benefits other than pensions | |
| Beginning of year – June 30, 2020 | \$283,868 |
| End of year – June 30, 2021 | \$399,443 |

⁴ Includes an implicit subsidy credit as follows:

| | Trust | Non-Trust | Total |
|------------------------------|----------|-----------|----------|
| Employer contribution | \$40,000 | \$30,444 | \$70,444 |
| Implicit subsidy credit | 0 | 773 | 773 |
| Total employer contributions | \$40,000 | \$31,217 | \$71,217 |
| Benefit payments | \$0 | \$30,444 | \$30,444 |
| Implicit subsidy credit | 0 | 773 | 773 |
| Total benefit payments | \$0 | \$31,217 | \$31,217 |



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

GASB 75 Disclosure Information

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 balanced objective are listed below:

| <i>Strategic Asset Allocation Ranges</i> | | | |
|--|-------|--------------|---------|
| | Cash | Fixed Income | Equity |
| Stated Range | 0-15% | 30%-50% | 45%-65% |

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 24.27 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 | 24.27% |
|--|--------|

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

GASB 75 Disclosure Information

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

On June 30, 2022, 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 ^{5,6} | 33,552 | 0 |
| Changes in assumptions or other inputs ^{5,6} | 0 | 20,121 |
| Differences between projected and actual return investments ^{5,6} | 638 | 52,909 |
| Total | \$34,190 | \$73,030 |
| | | |
| Contributions after the measurement date ⁷ | 0 | |
| Total with contributions after measurement date | \$34,190 | \$73,030 |

⁵ Measured on June 30, 2021.

⁶ See Schedule of Deferred Outflows and Inflows of Resources for additional information.

⁷ Agency contributions made after the measurement date, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2022. To be completed by auditor.

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 |
|--------------------------------|--------------------------------|----------------------------------|
| 2023 | 33,764 | (34,149) |
| 2024 | 212 | (13,644) |
| 2025 | 214 | (12,618) |
| 2026 | 0 | (12,619) |
| 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 of Resources

| Year | Type | Category | Initial Base | Amortization Period | Current Recognition | Current Balance |
|-------|------------------|--|--------------|---------------------|---------------------|-----------------|
| 2017 | Deferred Outflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2017 | Deferred Outflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2017 | Deferred Outflow | Net difference between projected and actual earnings on plan investments | 0 | 0.0 | 0 | 0 |
| 2018 | Deferred Outflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2018 | Deferred Outflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2018 | Deferred Outflow | Net difference between projected and actual earnings on plan investments | 4,693 | 5.0 | 937 | 0 |
| 2019 | Deferred Outflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2019 | Deferred Outflow | Changes in assumptions or other inputs | 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 | 0.0 | 0 | 0 |
| 2020 | Deferred Outflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2020 | Deferred Outflow | Net difference between projected and actual earnings on plan investments | 0 | 0.0 | 0 | 0 |
| 2021 | Deferred Outflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2021 | Deferred Outflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2021 | Deferred Outflow | Net difference between projected and actual earnings on plan investments | 1,062 | 5.0 | 212 | 638 |
| 2022 | Deferred Outflow | Difference between expected and actual experience | 100,655 | 1.5 | 67,103 | 33,552 |
| 2022 | Deferred Outflow | Changes in assumptions or other inputs | 0 | 1.5 | 0 | 0 |
| 2022 | Deferred Outflow | Net difference between projected and actual earnings on plan investments | 0 | 5.0 | 0 | 0 |
| Total | | | | | 68,252 | 34,190 |



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

GASB 75 Disclosure Information

Schedule of Deferred Inflows of Resources

| Year | Type | Category | Initial Base | Amortization Period | Current Recognition | Current Balance |
|-------|-----------------|--|--------------|---------------------|---------------------|-----------------|
| 2017 | Deferred Inflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2017 | Deferred Inflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2017 | Deferred Inflow | Net difference between projected and actual earnings on plan investments | 0 | 0.0 | 0 | 0 |
| 2018 | Deferred Inflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2018 | Deferred Inflow | Changes in assumptions or other inputs | 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 or other inputs | 0 | 0.0 | 0 | 0 |
| 2019 | Deferred Inflow | Net difference between projected and actual earnings on plan investments | 1,934 | 5.0 | 387 | 386 |
| 2020 | Deferred Inflow | Difference between expected and actual experience | 194,009 | 1.0 | 0 | 0 |
| 2020 | Deferred Inflow | Changes in assumptions or other inputs | 27,855 | 1.0 | 0 | 0 |
| 2020 | Deferred Inflow | Net difference between projected and actual earnings on plan investments | 5,122 | 5.0 | 1,024 | 2,050 |
| 2021 | Deferred Inflow | Difference between expected and actual experience | 0 | 0.0 | 0 | 0 |
| 2021 | Deferred Inflow | Changes in assumptions or other inputs | 0 | 0.0 | 0 | 0 |
| 2021 | Deferred Inflow | Net difference between projected and actual earnings on plan investments | 0 | 0.0 | 0 | 0 |
| 2022 | Deferred Inflow | Difference between expected and actual experience | 0 | 1.5 | 0 | 0 |
| 2022 | Deferred Inflow | Changes in assumptions or other inputs | 60,364 | 1.5 | 40,243 | 20,121 |
| 2022 | Deferred Inflow | Net difference between projected and actual earnings on plan investments | 63,091 | 5.0 | 12,618 | 50,473 |
| Total | | | | | 54,272 | 73,030 |

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

GASB 75 Disclosure Information

OPEB Expense

The Agency's OPEB expense was \$28,886.

| | |
|---|------------|
| Net OPEB Liability – beginning (a) | \$67,463 |
| Net OPEB Liability – ending (b) | \$(11,648) |
| Change in Net OPEB Liability [(b)-(a)] | (79,111) |
| Change in Deferred Outflows | (32,403) |
| Change in Deferred Inflows | 69,183 |
| Employer Contributions | 71,217 |
| Adjustment – Transfer In (Employer Reimbursement) | 0 |
| Adjustment – OPEB Expense | 0 |
| OPEB Expense – June 30, 2020 to June 30, 2021 | \$28,886 |

| | |
|--|----------|
| Service Cost | 13,418 |
| Interest Cost | 13,972 |
| Expected Return on Assets | (12,484) |
| Changes of benefit terms | 0 |
| Recognition of Deferred Outflows and Inflows | |
| Differences between expected and actual experience | 67,103 |
| Changes of assumptions | (40,243) |
| Differences between projected and actual investments | (12,880) |
| Total | 13,980 |
| Adjustment | 0 |
| OPEB Expense – June 30, 2020 to June 30, 2021 | \$28,886 |

Actuarially Determined Contribution

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

| | |
|---|----------|
| Actuarially Determined Contribution for year ending June 30, 2022 | \$11,214 |
| Actuarially Determined Contribution for year ending June 30, 2023 | 11,551 |

| | |
|---|--------------|
| Valuation Date | July 1, 2021 |
| Discount Rate (Expected Long-term Return on Assets) | 5.75% |
| Salary Increases | 3.00% |

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

GASB 75 Disclosure Information

Journal Entries⁸

OPEB Expense Journal Entries - June 30, 2022 Reporting Date

| | | Debit | Credit |
|--|-------------------|-----------------|-------------------|
| Differences between Expected and Actual Experience | Deferred Outflows | \$33,552 | \$0 |
| | Deferred Inflows | 0 | 0 |
| Change in Assumptions and Other Inputs | Deferred Outflows | 0 | 0 |
| | Deferred Inflows | 0 | (20,121) |
| Differences between Projected and Actual Investment Earnings | Deferred Outflows | 0 | (1,149) |
| | Deferred Inflows | 0 | (49,062) |
| Net OPEB Liability/(Asset) | | 7,894 | 0 |
| OPEB Expense/(Credit) | | 28,886 | 0 |
| <i>Total</i> | | <i>\$70,332</i> | <i>\$(70,332)</i> |

Employer Contribution Journal Entries - June 30, 2022 Reporting Date

| | | Debit | Credit |
|---|---|-----------------|-------------------|
| Contributions paid July 1, 2020 to June 30, 2021 | Net OPEB Liability/(Asset) | \$71,217 | \$0 |
| | Deferred Outflows | 0 | 0 |
| | Other Healthcare (Implicit Subsidy) | 0 | 0 |
| | Contributions Expense | 0 | (71,217) |
| Contributions paid July 1, 2021 to June 30, 2022 ⁹ | Deferred Outflows ¹⁰ | 0 | 0 |
| | Other Healthcare (Implicit Subsidy) ¹¹ | 0 | 0 |
| | Contributions Expense ¹² | 0 | 0 |
| <i>Total</i> | | <i>\$71,217</i> | <i>\$(71,217)</i> |

⁸ Provided for illustrative purpose. Actual entries may differ. DFA is available to discuss any differences.

⁹ To be completed using audited actual contributions made after the measurement date.

¹⁰ Debit equal to total employer contributions plus adjustment for implicit subsidy.

¹¹ N/A.

¹² Credit equal to total employer contributions (before adjustment for implicit subsidy).

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

GASB 75 Disclosure Information

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, 2021 (June 30, 2021).

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:

A handwritten signature in blue ink, appearing to read 'Carlos Diaz', is written over a horizontal line.

Carlos Diaz, ASA, EA, MAAA
Actuary

Lou Ann Texeira
Executive Officer
Contra Costa Local Agency Formation Commission
40 Muir Rd 1st Fl
Martinez, CA 94553



CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

40 Muir Road, 1st Floor • Martinez, CA 94553

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

(925) 313-7133

Lou Ann Teixeira
Executive Officer

MEMBERS

Candace Andersen
County Member

Donald A. Blubaugh
Public Member

Tom Butt
City Member

Patricia Bristow
Special District Member

Federal Glover
County Member

Michael R. McGill
Special District Member

Rob Schroder
City Member

ALTERNATE MEMBERS

Diane Burgis
County Member

Stanley Caldwell
Special District Member

Charles R. Lewis, IV
Public Member

Edi Birsan
City Member

September 14, 2022

**September 14, 2022
Agenda Item 11**

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

Current and Potential LAFCO Applications

Dear Members of the Commission:

SUMMARY

This report identifies active applications on file with Contra Costa LAFCO as well as potential applications. This report is presented for information only.

DISCUSSION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) delegates LAFCOs with regulatory and planning duties to coordinate the formation and development of local government agencies and their municipal services. This includes approving and disapproving boundary changes, boundary reorganizations, formations, mergers, consolidations, dissolutions, incorporations, sphere of influence (SOI) amendments, and extension of out of agency services. Applications involving jurisdictional changes filed by landowners or registered voters are placed on the Commission’s agenda as information items before action is considered by LAFCO at a subsequent meeting (Gov. Code §56857).

There is currently one approved proposal awaiting completion, four current applications that are either incomplete and/or awaiting a hearing date, and several potential applications.

Current Proposals – Approved and Awaiting Completion

Chang Property Reorganization (LAFCO 18-06)

This is an application filed by the landowner to annex 66.92± acres to the City of San Ramon, Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) and detach the same area from County Service Area (CSA) P-6. The subject area is located at the intersection of Crow Canyon and Bollinger Canyon Roads in unincorporated San Ramon. The Commission approved the boundary reorganization in August 2017 with conditions. One of the conditions has not yet been met. The applicant has requested and received several extensions of time with the current extension to July 9, 2022.

At the June 8, 2022 LAFCO meeting, the Commission approved a time extension to December 31, 2022 to complete the easement.

Current Applications – Under Review

LAFCO Tassajara Parks Project – Boundary Reorganization (LAFCO 16-06)

This is an application filed by the landowner to annex 30± acres to Central Contra Costa Sanitary District (CCCCSD) and East Bay Municipal Utility District (EBMUD). The project includes development of 125 single-family homes. The subject area is located east of the City of San Ramon and the Town of Danville. The application is currently incomplete. The project is currently being litigated.

LAFCO Tassajara Parks Project – SOI Amendments (LAFCO 16-07)

This is an application filed by the landowner to amend the SOIs for CCCCSD and EBMUD by 30± acres in anticipation of corresponding annexations. The application is currently incomplete. The project is currently being litigated.

Faria Southwest Hills – Boundary Reorganization (LAFCO 21-04)

This is an application filed by the City of Pittsburg to annex 606± acres to the City of Pittsburg, Contra Costa Water District and Delta Diablo, and detachment from CSA P-6. The project includes development of up to 1,500 residential units. The application is currently incomplete. On February 9, 2022, Contra Costa County Superior Court ruled that the City of Pittsburg violated CEQA. The Court issued a writ of mandate compelling the City to set aside the project approvals and the certification of the Final EIR, and that any further consideration of the project must comply with CEQA and be consistent with the Court's ruling. On August 15, 2022, the Pittsburg City Council voted to repeal and set aside all approvals for the Faria/Southwest Hills Annexation Project.

Annexation to EBMUD – Thomas Property (LAFCO 22-04) Happy Valley Road, Lafayette

This is an application filed by the landowner to annex 35± acres to EBMUD in order to receive municipal water service and in response to poor water quality on the property. This application is currently under review.

Potential Applications

On April 14, 2021, LAFCO approved the extension of out of agency water service by the City of Martinez to the Bay's Edge Subdivision 9065 located in unincorporated Martinez (Mt. View). LAFCO's approval was conditioned on commitment from the City to submit to LAFCO an application to annex the subject parcels to the City of Martinez by *August 31, 2022*, in the event the entirety of Mt. View is not annexed to the City prior to that date. On August 10, 2022, the Commission approved extension of time to submit the annexation application by August 31, 2023.

There are currently several potential applications that may be submitted to Contra Costa LAFCO in the future including annexations to Byron Bethany Irrigation District, City of Brentwood, City of Concord, City of Martinez, and West County Wastewater District.

RECOMMENDATION – Informational item – no actions required.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment

Current Applications Table

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
CURRENT APPLICATIONS – September 14, 2022

Attachment

| File # | APPLICATION NAME/LOCATION | APPLICATION SUMMARY | STATUS |
|--------|---|--|--|
| 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 | Application submitted in May 2016 by the landowner to annex 30± acres to Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) to support development of 125 residential lots and related improvements. On July 13, 2021, the County Board of Supervisors certified the project EIR, amend the ULL, executed a land preservation agreement, and acted on various discretionary project approvals. | Application is currently incomplete. Await certified EIR, updated application, and other information. The project is currently being litigated. |
| 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 | Application submitted in May 2016 by the landowner to amend the SOIs for CCCSD and EBMUD in anticipation of annexation. | Application is currently incomplete. Await certified EIR, updated application, and other information. The project is currently being litigated. |
| 21-05 | Faria Southwest Hills Reorganization: proposed annexations to City of Pittsburg, CCWD and DD of 606± acres located southwest of the City of Pittsburg | Application submitted in June 2021 by City of Pittsburg to annex 606± acres to the City, Contra Costa Water District (CCWD) and Delta Diablo (DD) and detach from County Service Area (CSA) P-6 to support hillside estate development of up to 1,500 units. | Application is currently incomplete. <i>Notices of Incomplete Application</i> issued on 7/21/21 and 1/28/22. Following litigation on the project, on 8/15/22, the Pittsburg City Council voted to repeal and set aside all approvals for the Faria/Southwest Hills Annexation Project. |
| 21-17 | Dissolution of County Service Area (CSA) R-9 | LAFCO initiated dissolution of CSA R-9 | Pending |
| 22-04 | Annexation to EBMUD – Thomas Property (Happy Valley Road, Lafayette) | Application submitted in May 2022 by the landowners to annex 35± acres to EBMUD | Currently under review |



September 14, 2022
Agenda Item 12

August 4, 2022

RE: August 10, 2022 CCCERA Retirement Board Meeting

To All Employers,

The agenda for the August 10, 2022 CCCERA Retirement Board Meeting includes the following item of interest to all employers:

- Consider and take possible action to adopt the December 31, 2021 Valuation Report and contribution rates for the period July 1, 2023—June 30, 2024.

You are invited to attend the meeting and learn more about this topic.

Sincerely,

Gail Strohl
Chief Executive Officer



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING

August 10, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 889 5238 7657, Passcode: 793600, or via the web at:

<https://us06web.zoom.us/j/88952387657?pwd=VUpybDRuV1pYWE1tTTRERGRG90NjFNQT09>

Passcode: 793600

Persons who wish to address the Board of Retirement during public comment may call in during the meeting by dialing the phone number and passcode above. Access via Zoom is also available at the weblink above. To indicate you wish to speak during public comment, please select *9 on your phone or “raise your hand” in the Zoom app.

Public comments are limited to any item that is within the subject matter jurisdiction of the Board of Retirement. Comments will be received in real time via telephone or Zoom, subject to a three-minute time limit per speaker.

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the July 13, 2022 meeting.
5. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.

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. Accept the following routine items:
 - a. Disability applications and authorize subpoenas as required.
 - b. Travel report.
 - c. Investment asset allocation report.

CLOSED SESSION

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

| <u>Member</u> | <u>Type Sought</u> | <u>Recommendation</u> |
|-----------------|--------------------|-----------------------|
| a. Zara Cushman | Service Connected | Service Connected |
| b. John Viera | Service Connected | Service Connected |

8. 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
9. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(4) to confer with legal counsel regarding initiation of litigation (one potential case).
10. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(2) to confer with legal counsel regarding potential litigation (one case).

OPEN SESSION

11. Consider and take possible action to adopt the December 31, 2021 Valuation Report and contribution rates for the period July 1, 2023—June 30, 2024.
12. Consider and take possible action to approve pay code lists.
13. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
14. Consider authorizing the attendance of Board:
 - a. 2022 Public Safety Conference, NCPERS, October 23-26, 2022, Nashville, TN.
(Note: Conflict with meeting)
15. 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

August 24, 2022, 9:00 a.m.

The Board of Retirement will hold its meeting via teleconferencing as permitted by Government Code Section 54953(e). The meeting is accessible telephonically at 669-900-6833, Webinar ID: 849 7815 7751 Passcode: 359244, or via the web at:

<https://us06web.zoom.us/j/84978157751?pwd=UjNQazNScnNPY2ZlaHcxem45WXRyZz09>

Passcode: 359244

Persons who wish to address the Board of Retirement during public comment may call in during the meeting by dialing the phone number and passcode above. Access via Zoom is also available at the weblink above. To indicate you wish to speak during public comment, please select *9 on your phone or “raise your hand” in the Zoom app.

Public comments are limited to any item that is within the subject matter jurisdiction of the Board of Retirement. Comments will be received in real time via telephone or Zoom, subject to a three-minute time limit per speaker.

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

1. Pledge of Allegiance.
2. Roll Call.
3. Accept comments from the public.
4. Approve minutes from the July 27, 2022 meeting.
5. Review of total portfolio performance for period ending June 30, 2022.
 - a. Presentation from Verus
 - b. Presentation from staff
6. Review of portfolio rebalancing report.
7. Review of real estate investment performance and pacing recommendation.

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.

8. Consider and take possible action to authorize the Board to conduct teleconference meetings under Government Code section 54953 (e) and to make related findings.
9. Consider authorizing the attendance of Board:
 - a. SACRS Board of Directors and Committee meetings, September 26-27, 2022, Santa Barbara, CA.
 - b. ILPA Institute Private Equity for the Trustee, September 27-28, 2022, San Francisco, CA. (Note: Conflict with Board Meeting).
 - c. CRCEA Annual Fall Conference, October 9-12, 2022, Sacramento, CA. (Note: Conflict with Board Meeting).
 - d. Invesco Real Estate Global Client Conference, November 15-17, 2022, San Diego, CA.
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.

**CALAFCO Daily Legislative Report
as of Wednesday, September 07, 2022**

AB 1195 (Garcia, Cristina D) Limited Eligibility and Appointment Program: lists.

Current Text: Enrolled: 9/2/2022 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amended: 8/17/2022

Status: 8/31/2022-From committee: That the Senate amendments be concurred in. (Ayes 7. Noes 0.) (August 31). Senate amendments concurred in. To Engrossing and Enrolling.

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

Summary:

Current law creates the Limited Examination and Appointment Program (LEAP), which the Department of Human Resources administers, to provide an alternative to the traditional civil service examination and appointment process to facilitate the hiring of persons with disabilities. Current law requires the Department of Human Resources, when an appointing power seeks to fill a vacant position by using an employment list, to provide the appointing power with a certified list of the names and addresses of all eligible candidates, as specified. Current law requires the department to provide a single certified list of eligible candidates if more than one employment list or LEAP referral list exists, and the department is required to combine the names and addresses of all eligible candidates. This bill, as an alternative to receiving a combined list of eligible candidates, would require the department, upon request of an appointing power, to provide a list of eligibles that includes only the names and addresses of candidates, if any, on a LEAP referral list and the names and addresses of candidates, if any, on any applicable reemployment or State Restriction of Appointment list. The bill would authorize the appointing power to notify individuals listed of the opportunity to apply for a vacant position, to screen applications for candidates' eligibility, and to hire from among those eligible applicants whose names appear on the list. The bill would authorize the board to adopt or amend regulations, if necessary, to ensure these procedures are implemented in a manner consistent with merit principles and the California Constitution.

Attachments:

[CALAFCO Letter of Concern - April 2021](#)

[AB 1195 Fact Sheet](#)

CALAFCO Comments: As amended on 4-6-21, the bill was gut and amended and now creates the So LA County Human Rights to Water Collaboration Act. It requires the Water Board to appoint a commissioner to implement the Safe & Affordable Funding for Equity & Resilience Program and gives the commissioner certain authorities (although they are not clearly spelled out). It requires the commissioner by 12-31-24 to submit to the Water Board a plan for the long-term sustainability of public water systems in southern LA County and prescribes what shall be included in the plan. The bill also creates a technical advisory board and requires the commissioner to oversee the Central Basin Municipal Water District.

In its current form the bill creates numerous concerns. CALAFCO's letter of concern is posted in the tracking section of the bill, and includes: (1) Focus of the bill is very broad as is the focus of the commissioner; (2) In an attempt to prevent privatization of water systems there is language regarding severing water rights. That language could be problematic should a consolidation be ordered; (3) Diminishing local control that is being invested in the state (an ongoing concern since SB 88); (4) A clear distinction needs to be made between an Administrator and Commissioner; (5) The poorly written section on the technical advisory board; and (6) The lack of LAFCo involvement in any consolidation process.

As amended on 5-24-21, the bill changes the water rights provision now requiring approval by the water Board; uses the definitions of "at risk system" and "at risk domestic well" found in SB 403 (Gonzalez) as well as the 3,300 connect cap; requires the commissioner appointed by the board to be from the local area; requires the commissioner to do certain things prior to completing the regional plan; and requires the commissioner to apply to LA LAFCo for extension of service, consolidation or dissolution as appropriate. The bill also creates a pilot program for LA LAFCo giving

them the authority to take action rather than the water board, providing it is within 120 days of receipt of a completed application. If the LAFCo fails to take action within that time, the matter goes to the water board for their action.

The pilot program also gives LA LAFCo the authority to approve, approve with conditions or deny the application; further giving LAFCo authority to consider consolidation or extension of service with a local publicly owned utility that provides retail water, a private water company or mutual; the bill also waives protest proceedings, gives the LAFCo authority to address governance structure and CEQA is waived, provides full LAFCo indemnification and funding.

There are still issues with the proposed technical advisory board section of the bill, and questions about timing of some of the processes. CALAFCO continues to work with the author and speakers' offices as well as other stakeholders on ongoing amendments.

The bill is author-sponsored and we understand there is currently no funding source. A fact sheet is posted in the tracking section of the bill. CALAFCO's letter of concern is also posted there.

THIS IS NOW A 2-YEAR BILL.

UPDATE AS OF 2/10/22 - According to the author's office, the author is not intending to move the bill forward at this time. CALAFCO will continue to WATCH and monitor the bill. As a result, the bill was downgraded from a P-1 to a P-3.

GUTTED AND AMENDED on 5/18/2022 to remove previous verbiage regarding water. The bill now addresses the State Department of Human Resources and the Limited Eligibility and Appointment Program (LEAP), which the Department of Human Resources administers, to provide an alternative to the traditional civil service examination and appointment process to facilitate the hiring of persons with disabilities. Downgraded to Watch, from Watch with Concerns. Changed priority to "None."

1

AB 2957 (Committee on Local Government) Local government: reorganization.

Current Text: Chaptered: 6/21/2022 [html](#) [pdf](#)

Introduced: 3/2/2022

Last Amended: 4/18/2022

Status: 6/21/2022-Approved by the Governor. Chaptered by Secretary of State - Chapter 37, Statutes of 2022.

| 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, provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law requires an applicant seeking a change of organization or reorganization to submit a plan for providing services within the affected territory. Current law requires a petitioner or legislative body desiring to initiate proceedings to submit an application to the executive officer of the local agency formation commission, and requires the local agency formation commission, with regard to an application that includes an incorporation, to immediately notify all affected local agencies and any applicable state agency, as specified. This bill would define the term "successor agency," for these purposes to mean the local agency a commission designates to wind up the affairs of a dissolved district.

Attachments:

[LAFCo Support letter template](#)

[CALAFCO Support letter](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill sponsored by CALAFCO. As introduced it makes 3 minor, technical non-substantive changes in CKH: (1) Replaces "to be completed and in existence" with "take effect" under GCS 56102; (2) Adds GCS 56078.5: "Successor Agency" means

the local agency the Commission designates to wind up the affairs of a dissolved district; and (3) Replaces "proposals" with "applications" within GCS 56653(a), 56654(a), (b), and (c), and 56658(b)(1) and (b)(2).

CALAFCO support letter and LAFCo support letter template are in the attachments section.

April 18, 2022 bill amended with additional changes requested by CALAFCO. Amendments include grammatical changes, the correction of a PUC citation in GC Sec 56133(e)(5) from 9604 to 224.3, the extension of the sunset date within R&T Section 99(b)(8)(B) to January 1, 2028, and it renumbers remaining provisions as needed due to the above changes.

SB 739 (Cortese D) Private golf courses: conversion to housing.

Current Text: Amended: 6/13/2022 [html](#) [pdf](#)

Introduced: 2/19/2021

Last Amended: 6/13/2022

Status: 8/31/2022-Failed Deadline pursuant to Rule 61(b)(18). (Last location was NAT. RES. on 6/20/2022)

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

Summary:

Would authorize a development proponent to submit an application to convert land that was previously used as a golf course to market-rate and affordable housing and would provide that the application is subject to a streamlined, ministerial approval process, and not subject to a conditional use permit, if the development satisfies specified objective planning standards. In this regard, the bill would require a development subject to the provisions to be located on a site that was used as a golf course, but has been closed for at least 5 years before the effective date of these provisions and would require that the development include at least 600 housing units. The bill would require the development to dedicate at least 30% of the new housing units to lower income households and persons and families of moderate income, as specified. By requiring local governments to approve development applications submitted under these provisions, the bill would impose a state-mandated local program.

Attachments:

[SB 738 - Author's Fact Sheet](#)

Position: Oppose unless amended

Subject: Ag/Open Space Protection, Annexation Proceedings, Growth Management, Housing, LAFCo Administration, Municipal Services, Planning, Sustainable Community Plans

CALAFCO Comments: SB 739 was gutted and amended on June 13th and now seeks to add provisions to the Government Code to allow for a rapid, and ministerial, conversion of golf courses that have been closed for at least 5 years to housing developments of at least 600 units. As proposed, the bill is to be in effect until January 1, 2030, authorizes a development proponent to submit an application and receive streamlined, ministerial approvals of both county CUPs and the LAFCo process to speed development. Additionally, while not expressly called out in the bill, it contains provisions that address contracting requirements which discuss high rise developments; the implication being that high rise developments of at least 600 housing units would have to be ministerially approved on all levels. CALAFCO is currently in discussions with the author's office.

The Fact Sheet can be found in the attachments section.

SB 938 (Hertzberg D) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.

Current Text: Chaptered: 7/1/2022 [html](#) [pdf](#)

Introduced: 2/8/2022

Last Amended: 6/9/2022

Status: 7/1/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 89, Statutes of 2022.

| 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, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under existing law, in each county there

is a local agency formation commission (commission) that oversees these changes of organization and reorganization. Current law authorizes a commission to dissolve an inactive district if specified conditions are satisfied. This bill would also authorize a commission to initiate a proposal for the dissolution of a district, as described, if the commission approves, adopts, or accepts a specified study that includes a finding, based on a preponderance of the evidence, that, among other things, the district has one or more documented chronic service provision deficiencies, the district spent public funds in an unlawful or reckless manner, or the district has shown willful neglect by failing to consistently adhere to the California Public Records Act. The bill would require the commission to adopt a resolution of intent to initiate a dissolution based on these provisions and to provide a remediation period of at least 12 months, during which the district may take steps to remedy the stated deficiencies.

Attachments:

[SB 938 Senate Floor Alert](#)

[SB 938 CALAFCO Support Letter dated 5-25-2022](#)

[SB 938 LAFCo support letter template](#)

[SB 938 CALAFCO Support letter](#)

[SB 938 CALAFCO Fact Sheet](#)

[SB 938 Author Fact Sheet](#)

Position: Sponsor

Subject: CKH General Procedures, Other

CALAFCO Comments: CALAFCO is the sponsor of this bill. SB 839 represents a collaborative three-year effort (by an 18-member working group) to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which a LAFCo may initiate dissolution of a district at the 25 percent protest threshold. In response to a recommendation made in the 2017 Little Hoover Commission report (Special Districts: Improving Oversight and Transparency), CALAFCO initiated a working group of stakeholders in early 2019 to discuss the protest process for dissolutions of special districts.

The bill's current format (dated 2/8/22) represents the restructuring of existing protest provisions scattered throughout CKH. There have been some minor technical language added for clarifications. These changes are all minor in nature (by legislative standards).

The bill will be amended to reflect the newly designed process that codifies the ability for LAFCo to initiate a district dissolution at 25% protest threshold. The conditions under which this can occur include one or more of the following, any/all of which must be documented via determinations in a Municipal Service Review (MSR):

1. The agency has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies;
2. The agency spent public funds in an unlawful or reckless manner inconsistent with the principal act or other statute governing the agency and has not taken any action to prevent similar future spending;
3. The agency has consistently shown willful neglect by failing to consistently adhere to the California Public Records Act and other public disclosure laws the agency is subject to;
4. The agency has failed to meet the minimum number of times required in its governing act in the prior calendar year and has taken no action to remediate the failures to meet to ensure future meetings are conducted on a timely basis;
5. The agency has consistently failed to perform timely audits in the prior three years, or failed to meet minimum financial requirements under Government Code section 26909 over the prior five years as an alternative to performing an audit, or the agency's recent annual audits show chronic issues with the agency's fiscal controls and the agency has taken no action to remediate the issues.

The proposed process is:

1. LAFCo to present the MSR in a 21-day noticed public hearing. At that time the LAFCo may choose to adopt a resolution of intent to dissolve the district. The resolution shall contain a minimum 12-month remediation period.
2. The district will have a minimum of 12 months to remediate the deficiencies.
3. Half-way through the remediation period, the district shall provide LAFCo a written report on the progress of their remediation efforts. The report is to be placed on a LAFCo meeting agenda and presented at that LAFCo meeting.

4. At the conclusion of the remediation period, LAFCo conducts another 21-day noticed public hearing to determine if district has remedied deficiencies. If the district has resolved issues, commission rescinds the resolution of intent to dissolve the district and the matter is dropped. If not, commission adopts a resolution making determinations to dissolve the district.
5. Standard 30-day reconsideration period.
6. Protest proceedings at 25% threshold can be noticed with a required 60-day protest period.
7. Protest hearing is held and amount of qualified protests determined based on 25% threshold. LAFCo either orders dissolution, election, or termination.

As this bill - when amended - adds requirements for LAFCOs and districts, it will likely be keyed fiscal (for now it is not). An author fact sheet and CALAFCO fact sheet are posted in our attachments section as well as the CALAFCO Support letter and LAFCo support letter template.

SB 1490 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/1/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 7/1/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 94, Statutes of 2022.

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

Summary:

Would enact the First Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[SB 1490-1491-1492, CALAFCO Letter of Support - March 2022](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is the first of three annual validating acts. The CALAFCO Support letter is posted in our attachments.

SB 1491 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/1/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 7/1/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 95, Statutes of 2022.

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

Summary:

Would enact the Second Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[SB 1490-1491-1492, CALAFCO Letter of Support - March 2022](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is the second of three annual validating acts. The CALAFCO Support letter is posted in our attachments.

SB 1492 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/1/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 7/1/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 96, Statutes of 2022.

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

Summary:

Would enact the Third Validating Act of 2022, which would validate the organization, boundaries,

acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[SB 1490-1491-1492, CALAFCO Letter of Support - March 2022](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is the third of three annual validating acts. The CALAFCO Support letter is posted in our attachments.

[AB 1640](#) (Ward D) Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans.

Current Text: Amended: 5/19/2022 [html](#) [pdf](#)

Introduced: 1/12/2022

Last Amended: 5/19/2022

Status: 8/12/2022-Failed Deadline pursuant to Rule 61(b)(15). (Last location was APPR. SUSPENSE FILE on 8/2/2022)

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

Summary:

Current law establishes the Integrated Climate Adaptation and Resiliency Program to be 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 prescribed. This bill would authorize eligible entities, as defined, to establish and participate in a regional climate network, as defined. The bill would require the office, through the program, to encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks. The bill would authorize a regional climate network to engage in activities to address climate change, as specified.

Attachments:

[AB 1640, CALAFCO Letter of Support - March 2022](#)

[AB 1640 Author Fact](#)

Position: Support

Subject: Climate Change

CALAFCO Comments: This bill is a follow up and very similar to AB 897 (2021). The bill would authorize eligible entities, as defined (including LAFCo), to establish and participate in a regional climate network, as defined. The bill would authorize a regional climate network to engage in activities to address climate change, as specified. Further, it requires a regional climate network to develop a regional climate adaptation and resilience action plan and to submit the plan to OPR for review, comments, and certification. The bill would require OPR to: (1) encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks; (2) develop and publish guidelines on how eligible entities may establish regional climate networks and how governing boards may be established within regional climate networks by 7-1-23; and (3) provide technical assistance to regions seeking to establish a regional climate network, facilitate coordination between regions, and encourage regions to incorporate as many eligible entities into one network as feasible.

The difference between this bill and AB 897 is this bill removes requirements for OPR to develop guidelines and establish standards and required content for a regional climate adaptation and resilience action plan (to be produced by the network), and removes some specified technical support requirements by OPR. Those requirements were covered in SB 170, a budget trailer bill from 2021.

The bill is author-sponsored and keyed fiscal. An author fact sheet is included in our attachments area, as well as the CALAFCO Support letter.

Amended 3/23/2022 to provide that regional climate networks MAY be developed rather than the former requirement. Minor clean ups of other superfluous language.

Amended 5/19/2022 to remove the deadline for OPR to develop and publish guidelines for eligible entities to establish regional climate networks, removed an exemption to cover multiple counties when population was greater than 2 million people, removed requirements for membership and biennial reports to OPR.

AB 1773 (Patterson R) Williamson Act: subvention payments: appropriation.

Current Text: Introduced: 2/3/2022 [html](#) [pdf](#)

Introduced: 2/3/2022

Status: 8/31/2022-Failed Deadline pursuant to Rule 61(b)(18). (Last location was APPR. SUSPENSE FILE on 5/4/2022)

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

Summary:

The Williamson Act, also known as the California Land Conservation Act of 1965, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Current law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts and continuously appropriates General Fund moneys for that purpose. This bill, for the 2022-23 fiscal year, would appropriate an additional \$40,000,000 from the General Fund to the Controller to make subvention payments to counties, as provided, in proportion to the losses incurred by those counties by reason of the reduction of assessed property taxes.

Attachments:

[AB 1773 CALAFCO Letter of Support - March 2022](#)

[AB 1773 Author Fact Sheet](#)

Position: Support

Subject: Ag Preservation - Williamson

CALAFCO Comments: AB 1773 resurrects funding the Williamson Act for the 2022-2023 budget year. The Williamson Act was created to preserve open space and conserve agricultural land. For many years, the state funded the Act at around \$35-\$40 million per year. This funding ceased during the recession, and has not been reinstated since. AB 1773 would allocate \$40 million from the General Fund to the Williamson Act for the purpose of subvention payments.

The bill is author-sponsored, has a general-fund appropriation, and is keyed fiscal. An author fact sheet is posted in our attachments section, along with the CALAFCO Support letter.

AB 1944 (Lee D) Local government: open and public meetings.

Current Text: Amended: 5/25/2022 [html](#) [pdf](#)

Introduced: 2/10/2022

Last Amended: 5/25/2022

Status: 7/5/2022-Failed Deadline pursuant to Rule 61(b)(14). (Last location was S. GOV. & F. on 6/8/2022)

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

Summary:

The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill would require the agenda to identify any member of the legislative body that will participate in the meeting remotely.

Attachments:

[AB 1944 Author Fact Sheet](#)

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill would delete the requirement that an individual participating in a Brown Act meeting remotely from a non-public location must disclose the address of the location. If the governing body chooses to allow for remote participation, it must also provide video streaming and offer public comment via video or phone.

The bill is author sponsored and keyed fiscal. The author's fact sheet is posted in our attachments area.

Amended 5/25/2022 to add that for this provision to apply, no less than a quorum of members of the legislative body must participate from a single physical location that is identified on the agenda, open to the public, and situated within the boundaries of the legislative body.

7/5/2022: Bill failed deadline and is now DEAD.

AB 2081 (Garcia, Eduardo D) Municipal water districts: water service: Indian lands.

Current Text: Enrolled: 8/26/2022 [html](#) [pdf](#)

Introduced: 2/14/2022

Last Amended: 5/12/2022

Status: 8/31/2022-Enrolled and presented to the Governor at 4 p.m.

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

Summary:

Current law permits a municipal water districts to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. Current law also authorizes a district, until January 1, 2023, under specified circumstances, to apply to the applicable local agency formation commission to provide this service of water to Indian lands, as defined, that are not within the district and requires the local agency formation commission to approve such an application. This bill, among other things, would extend the above provisions regarding the application to the applicable local agency formation commission to January 1, 2027.

Attachments:

[AB 2081 CALAFCO Oppose Letter, dated 5-26-2022](#)

[AB 2081 CALAFCO Oppose 03-16-2022](#)

[AB 2081 Author Fact Sheet](#)

Position: Oppose

Subject: Water

CALAFCO Comments: This bill extends the sunset date created in AB 1361 (2017). Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. Current law also authorizes a district, under specified circumstances, to apply to the applicable LAFCo to provide this service of water to Indian lands, as defined, that are not within the district and requires the LAFCo to approve such an application. This bill extends the sunset date from January 1, 2023 to January 1, 2025.

CALAFCO opposed AB 1361 in 2017 as the process requires LAFCo to approve the extension of service, requires the district to extend the service, and does not require annexation upon extension of service. CALAFCO reached out to the author's office requesting information as to the reason for the extension and we have not been given a reason.

The bill is keyed fiscal. An author fact sheet is included in the attachments area, as well as the CALAFCO letter in opposition.

AB 2449 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.

Current Text: Enrollment: 9/6/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Last Amended: 8/8/2022

Status: 9/6/2022-Enrolled and presented to the Governor at 4 p.m.

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

Summary:

Current law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act generally requires posting an agenda at least 72 hours before a regular meeting that contains a brief general description of each item of business to be transacted or discussed at the meeting, and prohibits any action or discussion from being undertaken on any item not appearing on the posted agenda. This bill would revise and recast those teleconferencing provisions and, until January 1, 2026, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements that each teleconference location be identified in the notice and agenda and that each teleconference location be accessible to the public if at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction.

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill authorizes the use of teleconferencing without noticing and making available to the public teleconferencing locations if a quorum of the members of the legislative body participate in person from a singular location that is noticed and open to the public and require the legislative body to offer public comment via video or phone.

CALAFCO reached out to the author's office for information and we've not yet heard back. The bill is not keyed fiscal.

AB 2647 (Levine D) Local government: open meetings.

Current Text: Enrollment: 8/29/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Last Amended: 8/4/2022

Status: 8/29/2022-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

Current law, the California Public Records Act, requires state agencies and local agencies to make public records available for inspection, subject to specified criteria, and with specified exceptions. Current law, the Ralph M. Brown Act, requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates and list the address of the office or location on the agenda for all meetings of the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill seeks to amend the law to make clear that writings that have been distributed to a majority of a local legislative body less than 72 hours before a meeting can be posted online in order to satisfy the law.

Amended on April 19, 2022, to add a provision that agendas will note the physical location from which hard copies of such post-agenda documents can be retrieved.

The bill is sponsored by the League of Cities and is not keyed fiscal.

SB 852 (Dodd D) Climate resilience districts: formation: funding mechanisms.

Current Text: Enrollment: 8/23/2022 [html](#) [pdf](#)

Introduced: 1/18/2022

Last Amended: 8/8/2022

Status: 8/23/2022-Enrolled and presented to the Governor at 12:30 p.m.

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

Summary:

Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, including projects that enable communities to adapt to the impacts of climate change. Current law also requires the legislative body to establish a public financing authority, defined as the governing board of the enhanced infrastructure financing district, prior to the adoption of a resolution to form an enhanced infrastructure district and adopt an infrastructure financing plan. This bill would authorize a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district, as defined, for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill would deem each district to be an enhanced infrastructure financing district and would require each district to comply with existing law concerning enhanced infrastructure financing districts, except as specified. The bill would require a district to finance only specified projects that meet the definition of an eligible project. The bill would define "eligible project" to mean projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified.

Attachments:

[SB 852 Author Fact Sheet](#)

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: This bill creates the Climate Resilience Districts Act. The bill completely bypasses LAFCo in the formation and oversight of these new districts because the districts are primarily being created as a funding mechanism for local climate resilience projects (as a TIF or tax increment finance district - for which LAFCos also have no involvement).

The bill authorizes a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill defines "eligible project" to mean projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified. The bill authorizes a district created pursuant to these provisions to have boundaries that are identical to the boundaries of the participating entities or within the boundaries of the participating entities. The bill also authorizes specified local entities to adopt a resolution to provide property tax increment revenues to the district. The bill would also authorize specified local entities to adopt a resolution allocating other tax revenues to the district, subject to certain requirements. The bill would provide for the financing of the activities of the district by, among other things, levying a benefit assessment, special tax, property-related fee, or other service charge or fee consistent with the requirements of the California Constitution. It requires 95% of monies collected to fund eligible projects, and 5% for district administration. The bill would require each district to prepare an annual expenditure plan and an operating budget and capital improvement budget, which must be adopted by the governing body of the district and subject to review and revision at least annually.

Section 62304 details the formation process, Section 62305 addresses the district's governance structure, and 62307 outlines the powers of the district.

This bill is sponsored by the Local Government Commission and is keyed fiscal. A fact sheet is included in our attachments section.

Amended 5/18/2022 to impose requirements on projects undertaken or financed by a district, including requiring a district to obtain an enforceable commitment from the developer that contractors and subcontractors performing the work use a skilled and trained workforce, and would expand the crime of perjury to these certifications.

[SB 1100](#) (Cortese D) Open meetings: orderly conduct.

Current Text: Chaptered: 8/22/2022 [html](#) [pdf](#)

Introduced: 2/16/2022

Last Amended: 6/6/2022

Status: 8/22/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 171, Statutes of 2022.

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

Summary:

Current law authorizes the members of the legislative body conducting the meeting to order the meeting room cleared and continue in session, as prescribed, if a group or groups have willfully interrupted the orderly conduct of a meeting and order cannot be restored by the removal of individuals who are willfully interrupting the meeting. This bill would authorize the presiding member of the legislative body conducting a meeting or their designee to remove, or cause the removal of, an individual for disrupting the meeting. The bill, except as provided, would require removal to be preceded by a warning to the individual by the presiding member of the legislative body or their designee that the individual's behavior is disrupting the meeting and that the individual's failure to cease their behavior may result in their removal. The bill would authorize the presiding member or their designee to then remove the individual if the individual does not promptly cease their disruptive behavior. The bill would define "disrupting" for this purpose.

Attachments:

[SB 1100 - CALAFCO Letter of Support](#)

[SB 1100 Author Fact Sheet](#)

Position: Support

Subject: Brown Act

CALAFCO Comments: This bill would authorize the removal of an individual from a public meeting who is "willfully interrupting" the meeting after a warning and a request to stop their behavior. "Willfull interrupting" is defined as intentionally engaging in behavior during a meeting of a legislative body that substantially impairs or renders infeasible the orderly conduct of the meeting in accordance with law.

The bill is author-sponsored and keyed fiscal. An author fact sheet is posted in our attachments section.

The CALAFCO support letter is in the attachments section.

[SB 1449](#) ([Caballero D](#)) Office of Planning and Research: grant program: annexation of unincorporated areas.

Current Text: Enrollment: 9/6/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Last Amended: 4/19/2022

Status: 9/6/2022-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

Current law requires the Office of Planning and Research to, among other things, accept and allocate or expend grants and gifts from any source, public or private, for the purpose of state planning and undertake other planning and coordinating activities, as specified, and encourage the formation and proper functioning of, and provide planning assistance to, city, county, district, and regional planning agencies. This bill would require the office to, upon appropriation by the Legislature, establish the Unincorporated Area Annexation Incentive Program, authorizing the office to issue a grant to a city for the purpose of funding infrastructure projects related to the proposed or completed annexation of a substantially surrounded unincorporated area, as defined, subject to approval by the director after the city submits an application containing specified information. The bill would require the office to match, on a dollar-for-dollar basis, any dollar contribution a city makes toward a project funded by the program, subject to a maximum funding threshold as determined by the director.

Attachments:

[SB 1449 - CALAFCO Letter of Support](#)

Position: Support

Subject: Annexation Proceedings

CALAFCO Comments: This is currently a spot bill. According to the author's office, they are working on state funding to incentivize annexation of inhabited territory (when the VLF was taken away, so too was any financial incentive to annex inhabited territory). For many years bills have been run to reinstate funding, none of which have ever successfully passed. There is no other information available on this bill at this time. CALAFCO will continue conversations with the author's office as this is an important topic for LAFcos. (The bill will remain a P-3 until amended.)

Amended 3/16/2022 to remove spot holder language, add definitions and other language tying to CKH, and add language more specific to a grant program.

LAFcos added in to assist OPR develop the program guidelines.

The CALAFCO letter of support can be found in the attachments section.

3

AB 897 (Mullin D) Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans.

Current Text: Amended: 7/14/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amended: 7/14/2021

Status: 8/12/2022-Failed Deadline pursuant to Rule 61(b)(15). (Last location was APPR. SUSPENSE FILE on 8/16/2021)

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

Summary:

Current law requires, by July 1, 2017, and every 3 years thereafter, the Natural Resources Agency to update, as prescribed, the state's climate adaptation strategy, known as the Safeguarding California Plan. Current law establishes the Office of Planning and Research in state government in the Governor's office. Current law establishes the Integrated Climate Adaptation and Resiliency Program to be administered by the office to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as prescribed. This bill would authorize eligible entities, as defined, to establish and participate in a regional climate network, as defined. The bill would require the office, through the program, to encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks. The bill would authorize a regional climate network to engage in activities to address climate change, as specified.

Attachments:

[CALAFCO Support July 2021](#)

[AB 897 Fact Sheet](#)

Position: Support

Subject: Climate Change

CALAFCO Comments: As introduced, the bill builds on existing programs through OPR by promoting regional collaboration in climate adaptation planning and providing guidance for regions to identify and prioritize projects necessary to respond to the climate vulnerabilities of their region.

As amended, the bill requires OPR to develop guidelines (the scope of which are outlined in the bill) for Regional Climate Adaptation Action Plans (RCAAPs) by 1-1-23 through their normal public process. Further the bill requires OPR to make recommendations to the Legislature on potential sources of financial assistance for the creation & implementation of RCAAPs, and ways the state can support the creation and ongoing work of regional climate networks. The bill outlines the authority of a regional climate network, and defines eligible entities. Prior versions of the bill kept the definition as rather generic and with each amended version gets more specific. As a result, CALAFCO has requested the author add LAFcos explicitly to the list of entities eligible to participate in these regional climate networks.

As amended on 4/7, AB 11 (Ward) was joined with this bill - specifically found in 71136 in the Public Resources Code as noted in the amended bill. Other amendments include requiring OPR to, before 7-1-22, establish geographic boundaries for regional climate networks and prescribes requirements in doing so.

This is an author-sponsored bill. The bill necessitates additional resources from the state to carry out the additional work required of OPR (there is no current budget appropriation). A fact sheet is posted in the tracking section of the bill.

As amended 4/19/21: There is no longer a requirement for OPR to include in their guidelines how a regional climate network may develop their plan: it does require ("may" to "shall") a regional climate network to develop a regional climate adaptation plan and submit it to OPR for approval; adds requirements of what OPR shall publish on their website; and makes several other minor technical changes.

As amended 7/1/21, the bill now explicitly names LAFCo as an eligible entity. It also adjusts several timelines for OPR's requirements including establishing boundaries for the regional climate networks, develop guidelines and establish standards for the networks, and to make recommendations to the Legislature related to regional adaptation. Give the addition of LAFCo as an eligible entity, CALAFCO is now in support of the bill.

Amendments of 7/14/21, as requested by the Senate Natural Resources & Water Committee, mostly do the following: (1) Include "resilience" to climate adaptation; (2) Prioritize the most vulnerable communities; (3) Add definitions for "under-resourced" and "vulnerable" communities; (4) Remove the requirement for OPR to establish geographic boundaries for the regional climate networks; (5) Include agencies with hazard mitigation authority and in doing so also include the Office of Emergency Services to work with OPR to establish guidelines and standards required for the climate adaptation and resilience plan; and (6) Add several regional and local planning documents to be used in the creation of guidelines.

2/24/22 UPDATE: It appears this bill is being replaced with AB 1640 (Ward, Mullin, etc.). CALAFCO will keep this bill on Watch and follow the new bill.

8/12/2022. Bill failed deadline and is now DEAD.

AB 903 (Frazier D) Los Medanos Community Healthcare District.

Current Text: Amended: 4/19/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amended: 4/19/2021

Status: 7/5/2022-Failed Deadline pursuant to Rule 61(b)(14). (Last location was S. 2 YEAR on 7/14/2021)

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

Summary:

Would require the dissolution of the Los Medanos Community Healthcare District, as specified. The bill would require the County of Contra Costa to be successor of all rights and responsibilities of the district, and require the county to develop and conduct the Los Medanos Area Health Plan Grant Program focused on comprehensive health-related services in the district's territory. The bill would require the county to complete a property tax transfer process to ensure the transfer of the district's health-related ad valorem property tax revenues to the county for the sole purpose of funding the Los Medanos Area Health Plan Grant Program. By requiring a higher level of service from the County of Contra Costa as specified, the bill would impose a state-mandated local program.

Position: Watch

CALAFCO Comments: This bill mandates the dissolution of the Los Medanos Community Healthcare District with the County as the successor agency, effective 2-1-22. The bill requires the County to perform certain acts prior to the dissolution. The LAFCo is not involved in the dissolution as the bill is written. Currently, the district is suing both the Contra Costa LAFCo and the County of Contra Costa after the LAFCo approved the dissolution of the district upon application by the County and the district failed to get enough signatures in the protest process to go to an election.

The amendment on 4/5/21 was just to correct a typo in the bill.

As amended on 4/19/21, the bill specifies monies received by the county as part of the property tax transfer shall be used specifically to fund the Los Medanos Area Health Plan Grant Program

within the district's territory. It further adds a clause that any new or existing profits shall be used solely for the purpose of the grant program within the district's territory.

The bill did not pass out of Senate Governance & Finance Committee and will not move forward this year. It may be acted on in 2022.

2022 UPDATE: Given Member Frazier is no longer in the Assembly and the appellate court overturned the lower court's decision, it is likely the bill will not move forward. CALAFCO will retain WATCH on the bill.

Failed deadline. DEAD as of 7/5/2022.

AB 975 (Rivas, Luz D) Political Reform Act of 1974: filing requirements and gifts.

Current Text: Amended: 6/16/2022 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amended: 6/16/2022

Status: 8/31/2022-Failed Deadline pursuant to Rule 61(b)(18). (Last location was INACTIVE FILE on 8/22/2022)

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

Summary:

The Political Reform Act of 1974 generally requires elected officials, candidates for elective offices, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, along with other persons and entities, to file periodic campaign statements and certain reports concerning campaign finances and related matters. Current law permits a report or statement that has been on file for at least two years to be retained by a filing officer as a copy on microfilm or other space-saving materials and, after the Secretary of State certifies an online filing and disclosure system, as an electronic copy. This bill would permit a filing officer to retain a report or statement filed in a paper format as a copy on microfilm or other space-saving materials or as an electronic copy, as specified, without a two-year waiting period. The bill would also permit a filing officer to retain a report or statement as an electronic copy before the Secretary of State certifies an online filing and disclosure system.

Position: Watch

Subject: FPPC

CALAFCO Comments: As introduced, this bill makes two notable changes to the current requirements of gift notification and reporting: (1) It increases the period for public officials to reimburse, in full or part, the value of attending an invitation-only event, for purposes of the gift rules, from 30 days from receipt to 30 days following the calendar quarter in which the gift was received; and (2) It reduces the gift notification period for lobbyist employers from 30 days after the end of the calendar quarter in which the gift was provided to 15 days after the calendar quarter. Further it requires the FPPC to have an online filing system and to redact contact information of filers before posting.

The amendment on 4/21/21 just corrects wording (technical, non-substantive change).

The amendments on 5/18/21 clarify who is to file a statement of economic interest to include candidates (prior text was office holders).

UPDATE AS OF 2/24/22 - The author's office indicates they are moving forward with the bill this year and are planning amendments. They are not clear what those amendments will be so CALAFCO will retain a WATCH position on the bill.

AB 1757 (Garcia, Cristina D) California Global Warming Solutions Act of 2006: climate goal: natural and working lands.

Current Text: Enrolled: 9/2/2022 [html](#) [pdf](#)

Introduced: 2/2/2022

Last Amended: 8/28/2022

Status: 8/31/2022-Read third time. Passed. Ordered to the Assembly. (Ayes 28. Noes 9.). In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To Engrossing and Enrolling.

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Conf. | Enrolled | Vetoed | Chaptered |
|------|--------|--------|-------|------|--------|--------|-------|-------|----------|--------|-----------|
|------|--------|--------|-------|------|--------|--------|-------|-------|----------|--------|-----------|

| | | | | | |
|-----------|-----------|-------|--|--|--|
| 1st House | 2nd House | Conc. | | | |
|-----------|-----------|-------|--|--|--|

Summary:

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level no later than December 31, 2030. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the Natural Resources Agency, in collaboration with specified entities including the state board and the expert advisory committee as specified, to determine on or before January 1, 2024, an ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce greenhouse gas emissions for 2030, 2038, and 2045 to support state goals to achieve carbon neutrality and foster climate adaptation and resilience. The bill would require these targets to be integrated into the above-described scoping plan and other state policies. The bill would require the Natural Resources Agency, in consultation with specified agencies including the state board, to review and update the Natural and Working Lands Climate Smart Strategy to achieve these targets.

Position: Watch

Subject: Water

AB 2041 (Garcia, Eduardo D) California Safe Drinking Water Act: primary drinking water standards: compliance.

Current Text: Amended: 4/18/2022 [html](#) [pdf](#)

Introduced: 2/14/2022

Last Amended: 4/18/2022

Status: 5/20/2022-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 5/11/2022)

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

Summary:

Would require the State Water Resources Control Board to take specified actions if the state board adopts a primary drinking water standard with a compliance period for which public water systems are given a designated period of time to comply with the primary drinking water standard without being held in violation of the primary drinking water standard. Specifically, the bill would require the state board to determine which public water system may not be able to comply with the primary drinking water standard without receiving financial assistance and develop a compliance plan, including a financial plan to assist that public water system in complying with the primary drinking water standard. The bill would also require the state board, if a public water system is in violation of the primary drinking water standard after the compliance period, to take into consideration whether or not the public water system implemented the compliance plan.

Attachments:

[AB 2041 Author Fact Sheet](#)

Position: Watch

Subject: Water

CALAFCO Comments: This bill would require the SWRCB to take specified actions if the SWRCB adopts a primary drinking water standard with a compliance period for which public water systems are given a designated period of time to install necessary measures, including, but not limited to, installation of water treatment systems, to comply with the primary drinking water standard without being held in violation of the primary drinking water standard. Those actions would include, among other actions, developing a financial plan to assist public water systems that will require financial assistance in procuring and installing the necessary measures.

CALAFCO reached out to the author's office for information on the bill and has not heard back. The bill is keyed fiscal. An author fact sheet is attached.

Failed deadline. DEAD as of 5/20/2022.

AB 2201 (Bennett D) Groundwater sustainability agency: groundwater extraction permit: verification.

Current Text: Amended: 8/11/2022 [html](#) [pdf](#)

Introduced: 2/15/2022

Last Amended: 8/11/2022

Status: 8/31/2022-Failed Deadline pursuant to Rule 61(b)(18). (Last location was CONCURRENCE on 8/30/2022)

| Desk | Policy | Fiscal | Floor | Desk | Policy | Fiscal | Floor | Dead | Enrolled | Vetoed | Chaptered |
|-----------|--------|--------|-------|-----------|--------|--------|-------|------|----------|--------|-----------|
| 1st House | | | | 2nd House | | | | | | | |

Summary:

Current law authorizes a groundwater sustainability agency to request of the county, and requires a county to consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the agency before permit approval. Current law also authorizes the State Water Resources Control Board to designate a high- or medium-priority basin as a probationary basin under certain conditions for specified purposes. This bill would instead require a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval. The bill would prohibit a county, city, or any other water well permitting agency from approving a permit for a new groundwater well or for an alteration to an existing well in a basin subject to the act and classified as medium- or high-priority unless specified conditions are met, including that it obtains a written verification, from the groundwater sustainability agency that manages the basin or area of the basin where the well is proposed to be located, determining that, among other things, the extraction by the proposed well is consistent with any sustainable groundwater management program established in any applicable groundwater sustainability plan adopted by that groundwater sustainability agency or an alternate plan approved or under review by the Department of Water Resources.

Position: Watch

Subject: Water

CALAFCO Comments: 2/15/2022: As introduced, a spot holder.

3/17/2022: As amended, this bill now seeks to add a new section into the Water Code that would require, after July 1, 2023, designated extraction facilities to procure permits from the Department of Water Resources (DWR.) Extraction facilities are defined as those located in a basin that has already been designated by DWR as subject to critical overdraft conditions. It would also define times when permits are not needed, including for "de minimis extractors" (as defined by Section 10721), for replacement extractors, when drinking water is needed by a water system for public health purposes, for habitat and wetlands conservation, for photovoltaic or wind energy generation when less than 75 acre feet of groundwater is needed annually, when required by an approved CEQA document, and for facilities constructed to ensure a sustain water supply to consolidated public water systems. This bill would also require groundwater sustainability agencies (GSAs) to develop a process for the issuance of groundwater extraction permits which considers demonstrations of need, adherence to a groundwater sustainability plan, a showing that the extraction will not contribute to an undesirable result, and other procedural requirements. Additionally, the bill would require notification to all groundwater users within one mile of the proposed groundwater extraction facility, and to the DWR when the proposed extraction is within one mile of a disadvantaged community or a domestic well user, and other procedural steps. Also allows those GSAs in a basin not designated as subject to critical conditions of overdraft to adopt an ordinance that establishes their own process, in accordance with this section, for the issuance of groundwater extraction permits, and allows imposition of fees as long as they do not exceed reasonable agency costs. DWR shall provide technical assistance to assist GSA implement this section. This bill would further amend Water Code Section 10728 to require annual reports by GSA to include information regarding the number, location, and volume of water encompassed by permits issued under this section.

Unfunded mandate, now reimbursements provided. Keyed: fiscal.

Amended 4/27/2022 to removes all provisions regarding groundwater extraction facilities, adds in provisions regarding local agencies, which are defined as cities, counties, districts, agencies, or other entities with the authority to issue a permit for a a new groundwater well or for an alteration to an existing well.

AB 2442 (Rivas, Robert D) California Disaster Assistance Act: climate change.**Current Text:** Amended: 8/11/2022 [html](#) [pdf](#)**Introduced:** 2/17/2022**Last Amended:** 8/11/2022**Status:** 8/31/2022-Failed Deadline pursuant to Rule 61(b)(18). (Last location was INACTIVE FILE on 8/30/2022)

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

Summary:

The California Disaster Assistance Act requires the Director of Emergency Services to authorize the replacement of a damaged or destroyed facility, whenever a local agency and the director determine that the general public and state interest will be better served by replacing a damaged or destroyed facility with a facility that will more adequately serve the present and future public needs than would be accomplished merely by repairing or restoring the damaged or destroyed facility. Current law also authorizes the director to implement mitigation measures when the director determines that the measures are cost effective and substantially reduce the risk of future damage, hardship, loss, or suffering in any area where a state of emergency has been proclaimed by the Governor. This bill would specify that mitigation measures for climate change and disasters related to climate, may include, but are not limited to, measures that reduce emissions of greenhouse gases and investments in natural infrastructure, as defined, including, but not limited to, the preservation of natural and working lands, as described, improved forest management, and wildfire risk reduction measures.

Position: Watch**Subject:** Ag/Open Space Protection

CALAFCO Comments: Seeks to add climate change to California Disaster Assistance Act and adds, as noted cost effective mitigation measures, the preservation of open space, improved forest management and wildfire risk reduction measures, and other investments in natural infrastructure (in line with definition of a "natural infrastructure" in GC Section 65302(g)(4)(C)(v).) Also would amend GC Sec 65302 to require General Plans to include "a set of measures designed to reduce emissions of greenhouse gases resulting in climate change, and natural features and ecosystem processes in or near identified at-risk areas threatened by the impacts attributable."

SB 12 (McGuire D) Local government: planning and zoning: wildfires.**Current Text:** Amended: 6/6/2022 [html](#) [pdf](#)**Introduced:** 12/7/2020**Last Amended:** 6/6/2022**Status:** 7/5/2022-Failed Deadline pursuant to Rule 61(b)(14). (Last location was A. H. & C.D. on 5/24/2022)

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

Summary:

The Planning and Zoning Law requires the legislative body of a city or county to adopt a comprehensive, long-term general plan that includes various elements, including, among others, a housing element and a safety element for the protection of the community from unreasonable risks associated with the effects of various geologic and seismic hazards, flooding, and wildland and urban fires. Current law requires the housing element to be revised according to a specific schedule. Current law requires the planning agency to review and, if necessary, revise the safety element upon each revision of the housing element or local hazard mitigation plan, but not less than once every 8 years to identify new information relating to flood and fire hazards and climate adaptation and resiliency strategies applicable to the city or county that was not available during the previous revision of the safety element. Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities, as provided. This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, as specified, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse

Position: Watch

Subject: Growth Management, Planning

CALAFCO Comments: UPDATE 2/24/22: According to the author's office, they do plan to move this bill forward in 2022 and no other details are available at this time.

This bill failed to make deadlines and is DEAD as of 7/5/2022.

SB 418 **(Laird D) Pajaro Valley Health Care District.**

Current Text: Chaptered: 2/4/2022 [html](#) [pdf](#)

Introduced: 2/12/2021

Last Amended: 1/24/2022

Status: 2/4/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 1, Statutes of 2022.

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

Summary:

Would create the Pajaro Valley Health Care District, as specified, except that the bill would authorize the Pajaro Valley Health Care District to be organized, incorporated, and managed, only if the relevant county board of supervisors chooses to appoint an initial board of directors.

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: Gut and amended on 1/14/22, this bill forms the Pajaro Valley Health Care District within Santa Cruz and Monterey counties. The formation, done by special legislation, bypasses the LAFCo process, with language explicitly stating upon formation, LAFCo shall have authority. The bill requires that within 5 years of the date of the first meeting of the Board of Directors of the district, the board of directors shall divide the district into zones. The bill would require the district to notify Santa Cruz LAFCo when the district, or any other entity, acquires the Watsonville Community Hospital. The bill requires the LAFCo to order the dissolution of the district if the hospital has not been acquired by January 1, 2024 through a streamlined process, and requires the district to notify LAFCo if the district sells the Watsonville Community Hospital to another entity or stops providing health care services at the facility, requiring the LAFCo to dissolve the district under those circumstances in a streamlined process.

Given the hospital has filed bankruptcy and this is the only hospital in the area and serves disadvantaged communities and employs a large number of people in the area, the bill has an urgency clause.

Several amendments were added on 1/24/22 by the ALGC and SGFC all contained within Section 32498.7.

CALAFCO worked closely with the author's office, Santa Cruz County lobbyist and the Santa Cruz and Monterey LAFCos on this bill. We have requested further amendments which the Senator has agreed to take in a follow-up bill this year. Those amendments include requiring Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 3 years, Santa Cruz LAFCo conducting a special study on the district after 3 years, and representation from both counties on the governing board.

The bill is sponsored by the Pajaro Valley Healthcare District Project and is not keyed fiscal.

SB 969 **(Laird D) Pajaro Valley Health Care District.**

Current Text: Chaptered: 7/1/2022 [html](#) [pdf](#)

Introduced: 2/10/2022

Last Amended: 3/2/2022

Status: 7/1/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 90, Statutes of 2022.

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

Summary:

Current law creates the Pajaro Valley Health Care District, as specified, and authorizes the Pajaro Valley Health Care District to be organized, incorporated, and managed, only if the relevant county

board of supervisors chooses to appoint an initial board of directors. Current law requires, within 5 years of the date of the first meeting of the Board of Directors of the Pajaro Valley Health Care District, the board of directors to divide the district into zones and number the zones consecutively. Existing law requires the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to govern any organizational changes for the district after formation. Existing law requires the district to notify the County of Santa Cruz local agency formation commission (LAFCO) when the district, or any other entity, acquires the Watsonville Community Hospital. Existing law requires the LAFCO to dissolve the district under certain circumstances. This bill would require the LAFCO to develop and determine a sphere of influence for the district within one year of the district's date of formation, and to conduct a municipal service review regarding health care provision in the district by December 31, 2025, and by December 31 every 5 years thereafter.

Position: Watch

Subject: Other

CALAFCO Comments: This bill is a follow up to SB 418 (Laird) and contains some of the amendments requested by CALAFCO and Monterey and Santa Cruz LAFcos. As introduced the bill requires Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 2 years, Santa Cruz LAFCo conducting a Municipal Service Review on the district every 5 years with the first being conducted by 12-31-25. Our final requested amendment, ensuring representation from both counties on the governing board, is still being worked on and not reflected in the introduced version of the bill.

SB 1405 (Ochoa Bogh R) Community service districts: Lake Arrowhead Community Service District: covenants, conditions, and restrictions: enforcement.

Current Text: Enrollment: 9/6/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Last Amended: 4/18/2022

Status: 9/6/2022-Enrolled and presented to the Governor at 3:30 p.m.

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

Summary:

Would authorize the Lake Arrowhead Community Services District to enforce all or part of the covenants, conditions, and restrictions for tracts within that district, and to assume the duties of the Arrowhead Woods Architectural Committee for those tracts, as provided.

Position: Watch

Subject: Other

SB 1425 (Stern D) Open-space element: updates.

Current Text: Enrollment: 8/30/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Last Amended: 4/18/2022

Status: 8/30/2022-Enrolled and presented to the Governor at 3 p.m.

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

Summary:

Existing law requires cities and counties to prepare, adopt, and amend general plans and elements of those plans, as specified. Existing law requires the general plan to include a housing element and an open-space element, which is also called an open-space plan. Existing law sets forth various deadlines for updates to the housing element. This bill would require every city and county to review and update its local open-space plan by January 1, 2026. The bill would require the local open-space plan update to include plans and an action program that address specified issues, including climate resilience and other cobenefits of open space, correlated with the safety element. By imposing additional duties on local officials, the bill would create a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Other

SB 1489 (Committee on Governance and Finance) Local Government Omnibus Act of 2022.

Current Text: Enrolled: 9/6/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Last Amended: 6/20/2022

Status: 8/30/2022-Ordered to special consent calendar. Assembly amendments concurred in. (Ayes 38. Noes 0.) Ordered to engrossing and enrolling.

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

Summary:

Current law, including the Professional Land Surveyors' Act, the Mello-Roos Community Facilities Act of 1982, the Subdivision Map Act, provisions relating to official maps of counties and cities, and provisions relating to maps of certain special assessment districts, prescribe requirements for the identification, storage, access, and preservation of maps. This bill would revise requirements for storage, access, and preservation of maps, in connection with the above-described laws, to authorize alternative methods by which maps may be identified, kept safe and reproducible, and to which they may be referred, and would generally eliminate the requirement that they be fastened and stored in books.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee annual omnibus bill.

Total Measures: 29

Total Tracking Forms: 29

9/7/2022 5:13:26 PM



CALAFCO

NEWSLETTER

August, 2022 Edition

BOARDROOM Brief

AT ITS VIRTUAL meeting on July 22, the Board received the year-end financial reports from our accountant, considered a revised FY 22-23 budget, and resumed their discussion of the Government Code Section 56133 legislative amendment proposal.

The Fourth Quarter financial report found that the association is sound financially. It also disclosed an FY 21-22 net balance that was slightly larger than had been expected in April. Consequently, a revised FY 22-23 budget was also presented to the Board to capture the higher carryover, as well as to remove an erroneously duplicated stipend calculation from the Executive Director's salary line for the upcoming year. Those adjustments, along with another that the Board made to the payroll tax line, resulted in a revised FY 22-23 budget. The differences from the original version approved in April were increased carryover and contingency lines, and reductions to the ED salary and payroll tax lines. The revised budget can be found on the Board meeting portion of the website.

The last action item considered was the reconsideration of the legislative proposal from San Diego LAFCo regarding Government Code §56133. As many will recall, the topic has been a continuing one having been discussed and tabled at the January and April Board meetings. In April, the Board sent the proposal back to the Legislative Committee to complete additional research. Ultimately, the Board approved adding the endeavor to the list of CALAFCO projects, as well as approving a White Paper to guide the effort.

Reports were also received regarding CALAFCO U and the fall conference - including Elections. It was noted that Achievement Awards have an upcoming **deadline of AUGUST 12TH** - so get those nomination packets in ASAP!

The next Board meeting is scheduled for October 21st during the conference.

All agendas, staff reports, and minutes can be found on the CALAFCO website at www.calafco.org. Any questions should be directed to the Executive Director at rlaroch@calafco.org.

SBA 938 Chaptered



Screen shot of Senator Hertzberg presenting SB 938 on the Senate Floor on June 23, 2022

AS MOST of you already know, SB 938 (the Protest Provisions bill) has been successfully concluded. It passed the Senate Floor on June 23rd with a 38-0 vote, and was signed by the Governor on July 1st.

Thank you to the many LAFCOs who rushed to get letters submitted to the Governor after that June 23rd passage.

Given that this is the culmination of an effort that began in 2017, special thanks must again go to the Protest Provisions Working Group members for the YEARS of work on this bill.

The Board of Directors - and all of CALAFCO - extends its sincerest thanks and gratitude to **Jo MacKenzie, José Henriquez, Kai Luoma, Steve Lucas, Paul Novak, Holly Whatley** and, of course, **Pamela Miller** (who stayed on to work the bill in a volunteer capacity.)

Other Legislative Updates

AB 2957, the CALAFCO sponsored Omnibus bill has also been successfully completed. It was passed by the Senate on June 9th, and signed by the Governor on June 21, 2022. Thank you to all of the Legislative Committee members and EOs who submitted proposed changes for the bill. Special thanks to Joe Serrano who had the unenviable task of logging all of those changes!

See **OTHER UPDATES** on Page 3



A Message from the

Executive Director

It's been a busy few months in the office.

We've held two successful and well-received CALAFCO U webinars. Like much of what we do, these could not exist without the volunteerism of our panelists. Thanks to Carolyn Emery (OC), Alison Alpert (BB&K), and Gary Phillips (Bob Murray and Associates) for participating in our June webinar on recruitments and hiring in a post pandemic world. Also, kudos to David Ruderman (Colantuono, Highsmith & Whatley) for organizing our July offering regarding R&T 99, with thanks to panelists José Henriquez (Sacramento), Israel Guevara (OC Auditor-Controller) and Holly Whatley (CHW). I hear time and again how much our members appreciate these offerings!

Our next CALAFCO U is scheduled in September, then they will go on hiatus through the conference and holidays. The target month for our first session in 2023 is February. Thanks to Dawn Mittleman Longoria (Napa) who has been my wing person on these. I could NOT have made it without her!!

Jeni and I are now in full conference mode. Registration opened on July 5th and they have been coming in steadily. If you missed the July 31st Early Bird deadline, the next date to watch is **August 31st** which will be the last day to get the Standard Registration Fee. After that it will be Late Fee only.

Sponsorship packets were sent out and we're seeing some new and returning sponsors already! However, I would ask and encourage you all to send a packet to those in your networks as well.

Our conference planning committee is working hard and the program is taking shape. Many thanks to José Henriquez who is spearheading that effort. Look for more specifics to be announced soon.

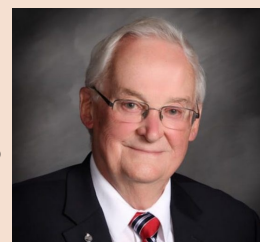
Also, a reminder that **ACHIEVEMENT AWARD NOMINATIONS** are due no later than **August 12th at 5:00 PM** so

See **ED**, column right

IN MEMORIAM

JERRY GLADBACH, Los Angeles LAFCo Commissioner

Sad news from Los Angeles LAFCo who lost long-time commissioner, Jerry Gladbach, on July 14th. Commissioner Gladbach was a representative of the Santa Clarita Valley Water Agency and had held a seat on the L.A. LAFCo where he had served as its Chair for 16 years. Commissioner Gladbach also served as a CALAFCO Director from 2005 to 2013, held the position of CALAFCO Board Chair in 2012, received the Most Outstanding Commissioner Award in 2013, as well as the prestigious and well-deserved Lifetime Achievement Award in 2021.



A resident of the Santa Clarita Valley since 1968, Commissioner Gladbach was a do-er who had also served on boards of the National Water Resources Association and the California Water Agencies Joint Powers Insurance Authority. He was renowned for his knowledge, dedication, kindness, and friendliness and will be missed by all.

CALAFCO sends its deepest condolences to Commissioner Gladbach's family, friends, and co-workers.



Contra Costa LAFCo bid farewell to **Commissioner Igor**

Skaredoff (Contra Costa Resource Conservation District) who served as a Special District member since 2014. During Commissioner Skaredoff's tenure, Contra Costa LAFCo competed numerous Municipal Service Reviews covering fire/emergency medical, reclamation, healthcare, parks & recreation, cemetery, and city services; and acted on over 75 proposals including dozens of boundary changes and reorganizations, and four district dissolutions. Also, during Commissioner Skaredoff's tenure, Contra Costa LAFCo Commissioners were named "Most Effective Commission" at the 2019 annual CALAFCO conference.

See **CONNECTIONS** on Page 4

ED, Continued from left column

get those nominations in to Steve Lucas today!

Another date to note is **September 19th** at 5:00 PM - which is when Director Nominations, Requests for Absentee/Electronic Ballots, and names of voting delegates must be **received**.

And if that wasn't enough, Absentee Ballots are due **October 14th**.

Lastly, a special shout out to Gary Thompson (Riverside) who will be presenting at the CSDA conference in balmy Palm Desert on August 24th. Many thanks, Gary!

Okay, folks, I know that's a lot of dates but you'll also find them all on the Calendar of Events on Page 3.

As usual, please feel free to reach out to me any time that you have any questions or concerns. Enjoy the summer, be safe, and see you at the Conference!!

Upcoming EVENTS



CALAFCO 2022 ANNUAL CONFERENCE

October 19 - 21, 2022

Join us at the **Hyatt Regency Newport Beach John Wayne Airport** on



October 19-21, 2022 for our long-awaited, long-overdue Annual Conference! The program planning committee is finalizing what is sure to be a great program. Go

to calafco.org for more details. See you in Newport Beach!

2023 STAFF WORKSHOP

April 26 - 28, 2023

Learn technical topics in a beautiful setting! Don't miss next year's Staff Workshop on the beautiful grounds of Ironstone Vineyards in Murphys, California.



CALAFCO U explores topics of interest to LAFcos and are offered at no cost to our members.

Sep. 19, 2022: Two Agencies in Dispute: *LAFco's Role in Assisting in Resolving the Conflict*
1:00 PM

TBD, 2023: The Dirty Dozen: *Things I Wish I Knew About The Act*

BOARD MEETINGS:

Oct. 21, 2022 LOCATION: Newport Beach (Conference)

Dec. 2, 2022 LOCATION: Virtual

LEGISLATIVE COMMITTEE MEETINGS:

Sept. 16, 2022 CANCELLED

Oct. 7, 2022 LOCATION: Virtual

Nov. 4, 2022 LOCATION: TBD

OTHER IMPORTANT DATES:

Aug. 12, 2022 ACHIEVEMENT AWARD NOMINATIONS DUE

Sept. 19, 2022 BOARD OF DIRECTOR NOMINATIONS DUE

Sept. 19, 2022 ABSENTEE/ELECTRONIC BALLOT REQUESTS DUE

Sept. 19, 2022 NAME OF VOTING DELEGATE DUE

Oct. 14, 2022 ABSENTEE BALLOTS ARE DUE

Oct. 20, 2022 ELECTIONS

OTHER UPDATES

Continued from Page 1

CALAFCO is currently tracking a total of 29 bills. Included among those are:

AB 897 (Mullin), establishment of a regional climate network. This bill has stalled and is in its second year.

AB 1640 (Ward), would authorize the creation of regional climate networks, as well as set up guidelines. Referred to the Senate Appropriations suspense file.

AB 1773 (Patterson), return of Williamson Act subvention funding. Held under submission in Assembly Appropriations on May 19th.

SB 739 (Cortese), was a gut and amend seeking to create ministerial processes for the annexations of unused golf courses to be used for the development of high rise buildings with 600-700 residences. The author's office notes that it will not be pursuing this bill this year.

SB 852 (Dodd), is similar to AB 1640 in that it addresses the formation of climate resilience districts, however, this bill focuses on enhanced infrastructure financing to fund public capital facilities including projects that address climate change impacts. Scheduled for third reading in the Assembly on August 8th.

SB 1100 (Cortese), which would amend the Brown Act to include provisions and procedures regarding meeting disruptions has passed both houses and is now in Engrossing and Enrolling.

SB 1490, 1491, and 1492, the annual Validation Acts, have now been chaptered.

The legislative season is now nearing a close with August 12th being the last day for fiscal committees to meet and report bills. After that, the remainder of the month will be Floor sessions only, with August 25th being the last day to amend bills on the floor. August 31st is the deadline for each house to pass bills, and the Final Recess will begin upon adjournment on that date.

It is fitting to note at this time that this important work does not happen in a vacuum. The Legislative Committee is composed of 32 members who have committed to give generously of their time and expertise. CALAFCO could not do what it does without them, so our sincerest thanks to the following:

Board Appointees - Bill Connelly, Gay Jones, Mike Kelley, Chris Lopez, Jo MacKenzie, Daron McDaniel, Mike McGill, Margie Mohler, Anita Pague, and Josh Susman.

Staff Voting Members - Clark Alsop, Gary Bell, Mark Bramfitt, Scott Browne, Carolyn Emery, René LaRoche, Steve Lucas, Kai Luoma, Jennifer Stephenson, and Gary Thompson.

Staff Alternates - Rob Fitzroy, Paula Graf, Joe Serrano, and Paula de Sousa.

Advisory - Tara Bravo, Crystal Craig, Brandon Fender, Sara Lytle-Pinhey, Priscilla Mumpower, Erica Sanchez, Jim Simon, and Luis Tapia.



CONNECTIONS

Continued from Page 2

Contra Costa also welcomed Commissioner Patricia Bristow in June as its new Special District member. Commissioner Bristow currently serves as Board Member on both the Byron-Brentwood-Knightsen Union Cemetery District and the Byron Sanitary District and serves on the Contra Costa County Transportation Authority Citizen Advisory. Commissioner Bristow has lived in Brentwood and Byron her entire life and was a teacher and counselor in the Brentwood Unified School District for 34 years. Her family has farmed in the community for over 100 years.

NEW Roles

LUIS TAPIA promotes to OC AEO

Orange County LAFCo announced the promotion of Luis Tapia to the Assistant Executive Officer position. Luis brings a great deal of experience to the role having been with Orange LAFCo since 2016 and is an Advisory member to the CALAFCO Legislative Committee.

NATASHA CARBAJAL hired as Santa Barbara's new Analyst-Clerk

Santa Barbara LAFCo is pleased to welcome Natasha Carbajal as its new Analyst/Clerk. Natasha had been providing clerking services for

about 10 months while she was with the Santa Barbara Clerk of the Board's Office. She comes to LAFCo with a broad range of skills and abilities, including great local government experience and all around good public service skills. Natasha has a Master of Public Administration from California State University Northridge and a Bachelor of Arts, Sociology from University Channel Islands.

MORGAN BING welcomed as SLO Clerk Analyst

Morgan Bing has joined San Luis Obispo LAFCo as their new Clerk Analyst. She comes to SLO LAFCo with a Bachelors and Masters degree from Cal Poly San Luis Obispo and four years of experience. SLO LAFCo is very excited to have her on their team!

SAFARINA MALUKI becomes Clerk in Monterey

Monterey LAFCo has welcomed Safarina Maluki as their new Clerk to the Commission/Office Administrator. Safarina has a wide range of responsibilities in support of the Commission and staff, and she looks forward to getting to know her colleagues around the State!

Congratulations one and all!

Associate Member SPOTLIGHT

The information below is provided by the Associate member upon joining the Association. All Associate Member information can be found in the CALAFCO Member Directory

E MULBERG & ASSOCIATES

Services include Municipal Service Reviews, Sphere of Influence updates, changes in organization, staff support, CEQA analysis, and assistance with applications to LAFCo.

To learn more about E Mulberg & Associates, visit their website at www.emulberg.com, or contact Elliot Mulberg at Elliot@emulberg.com.



LOS ANGELES COUNTY SANITATION DISTRICTS

Provides sewer service to 78 cities and unincorporated areas of LA County. Before a district can provide sewage service to a territory, it must be within its jurisdictional boundaries. Donna Curry administers the annexation program, including processing applications for annexation.

To learn more about LACSD visit their website at www.lacsd.org, or contact Donna Curry at dcurry@lacsd.org

CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to highlighting you all in future Newsletters.