



Lou Ann Texeira
Executive Officer

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
40 Muir Road, 1st Floor • Martinez, CA 94553
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(925) 313-7133

NOTICE AND AGENDA FOR REGULAR MEETING

Wednesday, June 11, 2025, 1:30 PM

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

The public may attend this meeting in person at the following location: Board of Supervisor Chambers, County Administration Building, 1025 Escobar St. 1st Floor, Martinez, CA 94553. The public may also attend this meeting remotely by Zoom or telephone. The public may also attend this meeting remotely by Zoom or telephone.

If joining remotely by Zoom, please click the link below:

Join from PC, Mac, iPad, or Android:

<https://cccounty-us.zoom.us/j/82904574780>

Join via audio:

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. For public hearings, the Chair will announce the opening and closing of the public hearing. The Chair will call for verbal public comments. Public comments generally will be limited to two minutes per speaker. Time limits for public speakers may be adjusted at the discretion of the Chair.

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 \$500 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 was 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.

Americans with Disabilities Act Compliance: LAFCO will provide reasonable accommodation 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.

JUNE 11, 2025 CONTRA COSTA LAFCO MEETING AGENDA

1. Call to Order and Pledge of Allegiance
2. Roll Call
3. Approval of April 9, 2025, LAFCO meeting minutes
4. Public Comment Period: Members of the public are invited to address the Commission regarding any item that is within the jurisdiction of the Commission and is not scheduled for discussion as part of this agenda. No action will be taken by the Commission at this meeting on any item not appearing on this agenda.

SPHERE OF INFLUENCE (SOI) AMENDMENTS/CHANGES OF ORGANIZATION

5. **Activation of Latent Powers – Kensington Police Protection and Community Services District** - consider approving the activation of latent powers (i.e., fire protection, emergency medical, rescue, hazardous materials, emergency response, and other services) *Public Hearing*

BUSINESS ITEMS

6. ***FY 2025-26 Final Budget and Work Plan*** - consider approving the Final LAFCO budget and work plan for FY 2025-26 *Public Hearing*
7. ***CALAFCO Update and Legislative Position (SB 777 – Cemetery Districts)*** – receive the CALAFCO update and provide comments and direction
8. ***Executive Officer’s Performance Review and Compensation*** - consider approving a salary increase for the Executive Officer in conjunction with the recent performance review

INFORMATIONAL ITEMS

9. ***Current and Potential Applications*** - *information only*
10. Correspondence from Contra Costa County Employees’ Retirement Association (CCCERA)
11. Commissioner Comments and Announcements
12. Staff Announcements/Newspaper Articles/CALAFCO Update

ADJOURNMENT

Next regular LAFCO meeting is July 9, 2025, at 1:30 pm.

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

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

April 9, 2025

1. Chair McGill conducted this meeting via teleconference while located at 660 K Street, San Diego, CA 92101, with a commencement time of 1:30 P.M.

For roll call, the following Commissioners and staff were present:

Regular Commissioners	Alternate Commissioners	Staff
Candace Andersen	Marisol Rubio	Lou Ann Texeira, Executive Officer
Patricia Bristow	Rob Schroder	Stephen Siptroth, Counsel
Diane Burgis	(Scott Pastor's term ended 04/8/25)	Anna Seithel, LAFCO Clerk/Analyst
Charles R. Lewis, IV		
Mike McGill, Chair		
Laura Nakamura		
Gabriel Quinto, Vice Chair		

2. Vice Chair Quinto led the Pledge of Allegiance.
3. **Approval of Approval of February 12, 2025, LAFCO Commission Meeting Minutes - *Chair McGill called for public comment and there were no comments, then called for comments or questions by Commissioners. There were no comments or questions, and a vote was taken. With a motion by Commissioner Burgis, and second by Commissioner Andersen, the Commission unanimously, by a 7-0 vote, approved the February 12, 2025, meeting minutes.***

VOTE

AYES: Andersen, Bristow, Burgis, Lewis, McGill, Nakamura, Quinto
NOES: None
ABSENT:
ABSTAIN:

4. **Public Comment** – Chair McGill invited public comment on items not on the agenda. There were no public comments and Chair McGill closed the Public Comment period.

SPHERE OF INFLUENCE (SOI) AMENDMENTS/CHANGES OF ORGANIZATION

5. **LAFCO 21-17 – Dissolution of County Service Area (CSA) R-9** – receive update and consider governance options including dissolution of CSA R-9 . The district comprises 3.1± square miles and serves unincorporated El Sobrante Valley including parts of Richmond. Public Hearings were previously continued from August 10, 2022, March 8, 2023, and March 13, 2024. *Chair McGill called for public comment; there was no public comment. Chair McGill then called for comments and questions from Commissioners. Commissioner Lewis requested an update within a year. Commissioner Burgis asked about the timeline re: Measure X. Commissioner Andersen noted Measure X funds are allocated through a process of which Supervisor Gioia is aware. Commissioner Bristow concurred to re-visit this item in one year. Counsel Siptroth noted this item would be continued to a date certain, that date being April 8, 2026. Chair McGill confirmed this date to be acceptable. With a motion by Commissioner Lewis and second by Commissioner Burgis, the Commission unanimously, by a 7-0 vote, approved the deferment to April 8, 2026.*

VOTE

AYES: Andersen, Bristow, Burgis, Lewis, McGill, Nakamura, Quinto
NOES: None
ABSENT:
ABSTAIN:

BUSINESS ITEMS

6. **Miscellaneous County Service Areas (CSAs) Municipal Service Review (MSR)/SOI Updates** – receive an overview of the Final MSR, receive public comments, provide input, and approve the final CSA MSR - Public Hearing. *Chair McGill called for comments and questions from Commissioners after an overview provided by Planwest Partners principal George Williamson. Commissioner Lewis commented on the tables, fund balances, Ad Valorem tax with regard to expansion of several CSA SOIs, and maintenance allocations. Staff responded. Commissioner Andersen commented on Special District funding regarding maintenance and how tax dollars are spent in the subject areas. Commissioner Burgis commented on efficiency and funding. Chair McGill then called for public comment; there was no public comment. With a motion by Commissioner Lewis and second by Commissioner Bristow, the Commission unanimously, by a 7-0 vote, approved the Final Miscellaneous CSA MSR and sphere of influence (SOI) updates.*

VOTE

AYES: Andersen, Bristow, Burgis, Lewis, McGill, Nakamura, Quinto
NOES: None
ABSENT:
ABSTAIN:

7. **FY 2025-26 Proposed Budget and Work Plan** - consider approving the proposed LAFCO budget and work plan for FY 2025-26 - Public Hearing *After an overview by staff, Chair McGill called for public comment; there was no public comment. Chair McGill then called for comments or questions from Commissioners; there were no Commission comments. There were no public comments. With a motion by Commissioner Andersen and second by Commissioner Lewis the Commission unanimously, by a 7-0 vote, approved the FY 2025-26 Proposed Budget and Work Plan.*

VOTE

AYES: Andersen, Bristow, Burgis, Lewis, McGill, Nakamura, Quinto
NOES: None
ABSENT:
ABSTAIN:

8. **CALAFCO Update** – receive the CALAFCO updates. *Following an overview provided by staff, Chair McGill called for public comment; there was no public comment. Chair McGill then called for comments and questions from Commissioners; there were no Commission comments. No formal action was needed.*

INFORMATIONAL ITEMS

9. **Current and Potential Applications** – *Staff provided a brief overview of the Kensington applications (Activation of Latent Powers and Annexation of Kensington Fire Protection District (KFPD) to Kensington Community Services District and dissolution of KFPD). Staff noted withdrawal of LAFCO 24-02 – Castro Ranch Road Annexation to East Bay Mud and West County Wastewater District. Also, a correction was made to the ownership of Tassajara Parks, correction from Chang to Kavar - information only.*
10. **Correspondence from Contra Costa County Employees' Retirement Association (CCCERA)** – *informational.*
11. **Commissioner Comments and Announcements.** *The Commission welcomed new City Member Commissioner Laura Nakamura and Alternate City Member Commissioner Marisol Rubio. The Commission bid farewell to Special District Member Commissioner Scott Pastor and the LAFCO Executive Officer announced the open seat of Alternate Special District Member for Contra Costa LAFCO.*
12. **Staff Announcements** – *The Commission conducted a closed session re: Public Employee Performance Evaluation in a conference with Agency Labor Negotiators Chair Mike McGill and Vice Chair Gabe Quinto for the Unrepresented Employee, Executive Officer.*

At 2:39 P.M., Chair McGill adjourned the meeting to the next regular LAFCO meeting on May 14, 2025, at 1:30 pm.



Lou Ann Teixeira
Executive Officer

June 11, 2025 (Agenda)

**June 11, 2025
Agenda Item 5**

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

Activation of Latent Powers – Kensington Police Protection and Community Services District

Dear Commissioners:

BACKGROUND: Community Services Districts (CSDs) are independent special districts formed and governed pursuant to Government Code (GC) §61000 et seq. CSDs can provide a range of municipal services pursuant to CSD statutes. CSDs are independent special districts typically governed by a five member Board of Directors.

CSDs can provide a multitude of municipal services specified in GC §61100, including, but not limited to, water, wastewater, solid waste, fire protection, recreation, streetlighting and landscaping, abatement, vector control, police protection, library services, maintenance of streets, roads, rights-of-way, culverts, drains, curbs, gutters, sidewalks, transportation, graffiti abatement, flood protection, community centers, libraries, theatres, child care facilities, animal control, pest abatement, cemetery services, and various other municipal services.

A CSD wishing to exercise latent powers in order to provide new or different services must apply to and receive LAFCO approval before providing the service(s). The LAFCO application must be submitted by the legislative body of the subject district, which in this case is the *Kensington Police Protection and Community Services District (KPPCSD)*.

The requirements for exercising a new or different service by special districts, and for the LAFCO proceedings, are specified in GC §§56824.10 – 56824.14. In accordance with these provisions, the CSD submitted an application to LAFCO along with a *Fiscal Analysis* (Attachment 1) and *Plan for Services* (Attachment 2) that describes how the services will be provided, along with estimated costs and possible sources of revenues to provide the new services.

DISCUSSION: The Kensington community is an unincorporated town within Contra Costa County. The Kensington Police Protection and Community Services District (KPPCSD) was formed in 1946. It was initially named the Kensington Police Protection District and was reorganized under the CSD law in 1953. The name was changed to KPPCSD in 1995. The KPPCSD currently provides local law enforcement, parks and recreation, and solid waste collection to the Kensington community. The District's sphere of influence (SOI) is coterminous with its service boundary as shown on the attached map (Exhibit A). The KPPCSD encompasses 0.97± square miles and serves a population of approximately 5,428.

The Kensington Fire Protection District (KFPD) was formed in 1937 and currently provides fire prevention and suppression and emergency medical services. The KFPD encompasses approximately 0.96± square miles with a population of approximately 5,428.

Recently, KPPCSD submitted an application to LAFCO to activate latent powers (LAFCO 25-01) to provide fire protection and emergency medical services. Also, the KFPD submitted an application to LAFCO to annex KFPD to KPPCSD and dissolve KFPD (LAFCO 25-02). Both districts adopted substantially similar resolutions in conjunction with the proposed activation of latent powers and annexation of KFPD to KPPCSD and dissolution of KFPD, which requires LAFCO to approve the proposed boundary change pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH Act”).

In addition to the LAFCO applications, the LAFCO applications also include a *Plan for Services* which includes background information, history of the two districts, justification for proposed activation of latent powers and annexation/dissolution, a proposed transition plan, and a fiscal analysis which both districts accepted. Both districts have discussed and support activation of the latent powers and the proposed reorganization.

Plan for Services/Fiscal Analysis: In response to the community’s interest, the districts retained *Ridgeline Municipal Strategies* (“RMG”) to prepare a *Plan for Services/Fiscal Analysis* which include the following components: *Background and Setting, History of the Reorganizing Districts, Proposed Annexation Territory Description, Justification, and Plan and Description of Services*. The districts held independent and joint board meetings to discuss the proposed boundary reorganization and the fiscal study and to solicit input from the Kensington Community. The RMG report includes background, history of the reorganizing districts, justification, plan and description of services, fiscal analysis, proposed transition plan, and other components.

In summary, the study concludes the following beneficial results of the reorganization:

- ✚ Administrative economies of scale
- ✚ Operational policies and procedures will become consistent with and standardized under one organization
- ✚ Increase in effectiveness and efficiency in delivery of services and administrative functions with shared resources and cost savings achieved through reduced redundancy of certain administrative and support functions in finance, accounting, legal, emergency preparedness and by combining technology infrastructure and other administrative functions and services
- ✚ Annual operating savings projected at \$120,000 to \$290,000 per year (increasing over time)
- ✚ Increase in reserve balance
- ✚ Permanent full-time staff, which would reduce reliance on outside consultants
- ✚ Consolidation of the community’s tax dollars thereby providing greater funding flexibility

CEQA Compliance: KPPCSD, as Lead Agency, found the proposed activation of latent powers exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).

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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 options:

Option 1

- A. Find the proposal to be exempt from CEQA pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).
- B. Approve the activation of the latent powers for KPPCSD to provide fire and emergency medical services.
- C. Given there are no protest proceedings in conjunction with the establishment of a new or different function of service, direct staff to complete the proceedings.

Option 2 Accept this report and DENY the proposal.

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

RECOMMENDED ACTION:

Approve Option 1.

Lou Ann Texeira

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

Attachments:

Draft LAFCO Resolution

Exhibits:

KFPD – Boundary Map
KPPCSD – Boundary Map

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06-11-25 LAFCO Meeting Agenda Packet

RESOLUTION NO. 25-01

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING ACTIVATION OF LATENT POWERS
OF KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
(FIRE AND EMERGENCY MEDICAL SERVICES)**

WHEREAS, Government Code (GC) Section 56824.12 of the Cortese-Knox-Hertzberg Local Government Reorganization Act requires that a proposal to provide a new or different function or class of services within all or part of the jurisdictional boundaries of a special district shall be made by the adoption of a resolution of application by the legislative body of the special district and shall include all of the matters specified for a petition in GC Section 56700 and be submitted with a plan for services prepared pursuant to GC Section 56653; and

WHEREAS, a proposal to activate certain latent powers (fire and emergency services) of the Kensington Police Protection and Community Services District (KPPCSD) was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission; and

WHEREAS, the Executive Officer 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 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 June 11, 2025, 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 recommendations, the environmental documents and determinations, spheres of influence, and related factors and information including those contained in GC §56668; and

WHEREAS, the applicant delivered to LAFCO an executed indemnification agreement providing for the applicant to indemnify LAFCO against any expenses arising from any legal actions to challenge the activation of latent powers; 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. The Commission is a Responsible Agency under the California Environmental Quality Act (CEQA), and in accordance with CEQA, finds the proposed change of organization is exempt from review under CEQA pursuant to CEQA Guidelines Class 20, section 15320 (change in organization of local agencies).

2. The Commission approves the activation of the latent powers of fire and emergency services for the Kensington Police Protection and Community Services District (KPPCSD). The KPPCSD currently provides local law enforcement, parks and recreation, and solid waste collection. The latent powers are conditioned on adequate financing.
3. The boundary of the subject area is found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.
4. The subject area is inhabited.
5. There is no protest proceeding or election in conjunction with this activation of latent powers.
6. All subsequent proceedings in connection with the activation of latent powers shall be conducted in compliance with the Commission's approval and any terms and conditions specified in this resolution.

* * * * *

PASSED AND ADOPTED THIS 11th day of June 2025, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

GABRIEL QUINTO, VICE 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: June 11, 2025

Lou Ann Texeira, Executive Officer

EL CERRITO

RICHMOND

Kensington

Alameda County

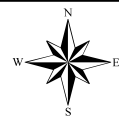
Legend:

- Kensington Fire Protection District
- City Boundaries
- County Boundary
- Parcels

Map labels include: Moeser Ln, King Dr, Stockton Ave, Seaview Dr, Shevlin Dr, Bates Ave, Gelston Pl, Craft Ave, Kensington Rd, Lawson Rd, Cowper Ave, Armont Dr, Edwin Dr, Kerr Ave, Rincon Rd, Highgate Rd, Windsor Ave, Highland Blvd, Garden Dr, Anson Way, Terrace Dr, Eureka Ave, Seaview Dr, Village Dr, Errol Dr, Bonnie Dr, Colusa Ave, Pomona Ave, Eureka Ave, Eureka Ave, Albemarle St, Clayton Ave, Ashbury Ave, Central Ave, Richmond St, Everett St, Fairmount Ave, C St, B St, A St, Behrens St, Ward Ave, Lynn Ave, Ramona Ave, Carmel Ave, San Carlos Ave, Colusa Ave, Santa Fe Ave, Coventry Rd, Berkeley Park Blvd, Kingston Rd, Avon Rd, Lenox Rd, Stratford Rd, Edgemoor Rd, Amherst Ave, Arlington Ave, Wellesley Ave, Kenyon Ave, Willamette Ave, Purdue Ave, Lake Dr, Los Altos Dr, Grizzly Peak Blvd, Canon Dr, Wildcat Canyon Rd, Central Park Dr, Parkside Ct, Beloit Ave, Trinity Ave, Cambridge Ave, Stanford Ave, Yale Ave, Yale Cir.

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

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06-11-25 LAFCO Meeting Agenda Packet

Legend:

- KPPCSD and Coterminous SOI
- Parks maintained by KPPCSD
- City Boundaries
- Contra Costa County
- County Urban Limit Line

Text:

By LAFCO action on 06/12/2019, Kensington Police Protection & Community Services District boundary and coterminous SOI were approved.

Map created 01/11/2021
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

Date	Distance (Miles)
06/05/2025	0.5



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06-11-25 LAFCO Meeting Agenda Packet



Lou Ann Texeira
Executive Officer

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June 11, 2025

June 11, 2025
Agenda Item 6

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

Final FY 2025-26 LAFCO Budget

Dear Members of the Commission:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) establishes a process for preparing and adopting LAFCO's budget. Government Code ("GC") §56381 provides that the Commission shall annually adopt a proposed budget by May 1 and final budget by June 15, following noticed public hearings. This report presents the Final FY 2025-26 budget and work plan.

BUDGET SUMMARY: The final FY 2025-26 budget (attached) includes appropriations totaling \$1,047,614 and reflects an overall increase of approximately 1.2% as compared to the FY 2024-25 budget. The increase is primarily attributable to increases in employee salaries and benefits including retirement benefits. The Final FY 2025-26 budget includes a contingency reserve of \$87,000. Details regarding expenditures and revenues are presented below.

EXPENDITURES: Expenditures are divided into three main categories: *Salaries & Employee Benefits*, *Services & Supplies*, a *Contingency Reserve*, along with future liability funds. A summary of expenditures is provided below.

Salaries & Benefits

The FY 2024-25 staffing level includes one full-time Executive Officer (EO) and one full-time Clerk Analyst (CA). The FY 2025-26 budget retains the current staffing level. LAFCO staff is supplemented with consultants and County services.

The final FY 2025-26 *Salaries & Benefits* account totals \$494,114, reflecting a 3.4% increase as compared to the FY 2024-25 budget. This is primarily due to increases in employee salaries, group insurance, and workers compensation insurance.

LAFCO is also supported by private and public service providers on an as-needed basis. The County provides fiscal, drafting, mapping/GIS and legal services. LAFCO also currently contracts with private firms for financial auditing, environmental planning, and to assist with Municipal Service Reviews (MSRs) and special studies. The FY 2025-26 budget continues these services as reflected in the *Services & Supplies* accounts.

Services & Supplies

The *Services & Supplies* account includes funding for various services, programs and projects including administrative (e.g., office, insurance, rent, utilities, equipment/systems, training, memberships, etc.), contract services (e.g., assessor, GIS, legal, environmental planning, website, financial audits/GASB reports), and programs/projects (i.e., MSRs, special studies).

The final FY 2025-26 *Services & Supplies* account totals \$408,500 and reflects a decrease of less than 1% as compared to the current FY 2024-25 budget. LAFCO staff anticipates slight decreases in several accounts including building occupancy, employee travel, planning services, data processing services, and CEQA filings.

Regarding the FY 2024-25 adopted budget compared to year-end estimates, we anticipate minor savings and minor increases in several accounts, with an overall decrease of less than one percent.

Contingency Reserve Fund

Each year, the Commission appropriates funds for unanticipated expenses (i.e., special studies, potential litigation, personnel changes, etc.). The Commission's policy provides that "*the annual budget shall include a contingency reserve (i.e., 10% of budget) as determined by the Commission. Funds budgeted in the contingency reserve shall not be used or transferred to any other expense account without prior approval of the Commission.*" Per the Commission's policy, we budget a contingency fund each year. The FY 2025-26 final budget includes an \$87,000 contingency.

Other Post-Employment Benefits (OPEB)

Since FY 2011-12, LAFCO has included in its budget an annual expense to pre-fund its OPEB liability. The most recent GASB report shows that the plan as a whole was underfunded. The final FY 2025-26 budget includes OPEB funding in the amount of \$30,000.

Pre-funding Retirement Liability (CCCERA)

In FY 2017-18, LAFCO began pre-paying a portion of its unfunded retirement liability to have a better contribution rate. The FY 2025-26 budget includes \$25,000 to fund the OPEB liability and \$30,000 to fund the CCCERA liability.

REVENUES

Revenues consist primarily of apportionments received from the County, cities, and independent special districts with each group paying one-third of the net operating LAFCO budget. The city and district shares are prorated based on general revenues reported to the State Controller. Other revenues include application fees, available year-end fund balance, and miscellaneous revenue (e.g., interest earnings).

Application Charges and Other Revenues

The FY 2025-26 final budget includes \$25,000 in application fees. Application activity has been slow. It is projected that LAFCO will receive approximately \$22,000 in application fees in the current fiscal year. The final FY 2025-26 budget includes an anticipated \$25,000 in application fees based on a multi-year historical average.

Fund Balance

GC §56381(c) provides: "If at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget." The FY 2024-25 fund balance will be calculated at year end. Based on the beginning year fund

balance, and projected FY 2025-26 revenues and expenses, it is estimated that the available fund balance will approximately \$800,000.

The LAFCO fund balance, or any portion thereof, can be used to offset the FY 2025-26 revenues, thereby reducing contributions from the funding agencies (County, cities, districts); or placed in a reserve account, separate from the contingency reserve that is appropriated each year. The final FY 2025-26 budget includes \$250,000 in fund balance to offset FY 2025-26 revenues thereby reducing contributions from the local agencies.

Revenues Received from the County, Cities, and Independent Special Districts

After processing fees, available fund balance, and other miscellaneous revenues, the balance of LAFCO's financial support comes from local governmental agencies. Agency contributions represent the most significant LAFCO revenue source.

The CKH Act requires that the net operational costs of LAFCO be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The CKH Act describes how the County Auditor is to make the apportionment and collect the revenues once LAFCO adopts a Final Budget (GC §56381). The city and district allocations are based on revenues reported to the State Controller and vary from year to year.

The overall budget is expected to increase by approximately 1.2%. The proposed use of the available fund balance will offset agency contributions for FY 2025-26. The total amount of revenue from funding agencies required to fund the FY 2025-26 budget is \$772,614, reflecting a 1.2% increase.

LAFCO RESPONSIBILITIES, ACCOMPLISHMENTS & GOALS

The FY 2025-26 budget schedule provides for public hearings and consideration of a Proposed Budget (April 9, 2025) and a Final Budget prior to June 15, 2024. The time between these Commission actions is to allow for review and comment by local agencies, the public, and other interested parties, as well as to gather updated budget information.

In accordance with the work plan and final budget, staff provide a summary of LAFCO responsibilities and accomplishments as follows.

Major LAFCO Responsibilities

LAFCO receives its authority and statutory responsibilities from the CKH Act. Included among LAFCO's major responsibilities are:

- Act on proposals for changes of organization/reorganizations (i.e., annexations/ detachments, out of agency service, incorporations, consolidations/mergers, district formations/ dissolutions, etc.)
- Establish, review, and update spheres of influence (SOIs) for cities and special districts
- Conduct MSRs prior to or in conjunction with establishing or updating SOIs
- Perform special studies relating to services and make recommendations regarding consolidations, mergers, or other governmental changes to improve/enhance services and efficiencies
- Serve as responsible or lead agency for compliance with CEQA
- Serve as the conducting authority to conduct protest hearings for changes of organization/reorganizations
- Provide public information about LAFCO and public noticing of pending LAFCO actions
- Maintain/update a LAFCO website
- Adopt and update written policies and procedures
- Adopt an annual budget

Highlights of FY 2024-25

The following is a list of LAFCO's accomplishments and goals for FY 2024-25:

Boundary Change and Related Applications

- a. Received and processed four new applications
- b. Completed proceedings for four applications including a SOI expansion, two reorganizations, and activation of a latent power, along with corresponding public hearings
- c. Pending dissolution of CSA R-9

MSRs/SOI Updates

- a. 3rd round *Wastewater Services* MSR/SOI updates - completed June 30, 2024
- b. Initiated 2nd Round Misc County Service Areas MSR (completed April 9, 2025)
- c. Initiated 2nd round reclamation district MSR (currently underway)

Special Projects/Activities

- a. Completed special study covering finances and operations (cemetery districts)
- b. Completed recruitment for Public Member Alternate seat
- c. Ongoing discussions regarding several future annexations/reorganizations
- d. Special District member election currently underway

Administrative and Other Activities

- a. Appointed 2024 LAFCO Chair Lewis and Vice Chair (McGill) and in January 2025 appointed Commissioner McGill as Chair and Commissioner Quinto as Vice Chair
- b. Held a LAFCO Commissioner Workshop in September 2024
- c. Welcomed Commissioner Rob Schroder – Public Member Alternate
- d. Updated LAFCO Salary Plan
- e. Updated LAFCO Policies & Procedures
- f. Completed GASB 68 report
- g. Annual financial audit currently underway
- h. Initiated major update to LAFCO Directory of Local Agencies (ongoing)
- i. Ongoing website updates
- j. Provided quarterly budget reports
- k. Conducted employee performance reviews
- l. Provide comments on local agency environmental documents
- m. Submitted position letters on various bills affecting LAFCOs
- n. Participated in and supported CALAFCO
- o. Approved 2025 LAFCO Meeting Schedule
- p. Updated the list of LAFCO pre-qualified MSR and CEQA consultants

FY 2025-26 Work Plan

The recommended work plan for FY 2025-26 includes the following activities:

- ❖ Complete 3rd round Reclamation Districts MSR/SOI Updates (underway)
- ❖ Initiate MSRs – next in the queue include irrigation districts (two), municipal improvement district (one), and water districts (three)
- ❖ Complete annual financial audit
- ❖ Complete annual actuarial valuation
- ❖ Policy and procedures updates as needed

In conclusion, the Commission and LAFCO staff continue to exercise fiscal prudence, recognizing the financial constraints of our funding agencies. Approval of the final budget will enable the Commission to perform its core responsibilities and continue its work on MSRs/SOI updates, processing proposals, legislative activities, policy development, and other projects.

RECOMMENDATIONS

1. Receive the staff report and open the public hearing to accept testimony on the Final FY 2025-26 LAFCO Budget;
2. After receiving public comments close the hearing; and
3. After Commission discussion, adopt the Final FY 2025-26 Budget, with any desired changes, and authorize staff to distribute the Final FY 2025-26 Budget to the County, cities and independent special districts as required by GC §56381.

Respectfully submitted,

Lou Ann Texeira

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Final FY 2025-26 LAFCO Budget

c: Distribution

FINAL FY 2025-26 BUDGET

June 11 2025

Attachment

	FY 2024-25	FY 2024-25	Final
	<u>Approved</u>	<u>Year-end</u>	<u>(2025-26 Budget</u>
		<u>Estimated</u>	
Salaries and Employee Benefits			
Permanent Salaries- 1011	\$ 292,232	\$ 296,144	\$ 306,844
Deferred Comp Cty Contribution - 1015	\$ 1,020	\$ 1,020	\$ 1,020
FICA- 1042	\$ 17,000	\$ 17,000	\$ 18,000
Retirement expense- 1044	\$ 104,000	\$ 104,000	\$ 109,000
Employee Group Insurance- 1060	\$ 49,900	\$ 49,900	\$ 52,400
Retiree Health Insurance- 1061	\$ 14,000	\$ 6,000	\$ 7,500
Unemployment Insurance- 1063	\$ 640	\$ 630	\$ 650
Workers Comp Insurance- 1070	\$ 1,700	\$ 1,600	\$ 1,700
Total Salaries and Benefits	\$ 480,492	\$ 476,294	\$ 497,114
Services and Supplies			
Office Expense- 2100	\$ 3,000	\$ 2,700	\$ 3,000
Publications -2102	\$ 330	100	\$ 300
Postage -2103	\$ 1,100	250	\$ 1,100
Communications - 2110	\$ 2,200	600	\$ 1,200
Tele Exchange Services 2111	\$ 1,000	1,300	\$ 2,300
Minor Furniture/Equipment - 2131	\$ 1,200	400	\$ 1,200
Minor Comp Equipment - 2132	\$ 1,100	800	\$ 7,400
Pubs & Legal Notices 2190	\$ 2,500	\$ 2,400	\$ 2,500
Memberships - 2200	\$ 15,400	13,000	\$ 16,000
Rents & Leases - 2250 (copier)	\$ 4,500	4,500	\$ 5,500
Computer Software - 2251	\$ 1,000	300	\$ 1,000
Bldg Occupancy Costs - 2262	\$ 23,000	\$ 23,000	\$ 11,000
Bldg Life Cycle Costs - 2265	\$ 1,400	\$ 615	\$ 1,055
Bldg Maintennace - 2284	\$ 500	\$ 500	\$ 500
Auto Mileage Emp. - 2301	\$ 200	\$ 200	\$ 200
Other Travel Employees - 2303	\$ 15,000	\$ 8,404	\$ 10,500
Prof & Spec Services - 2310	\$ 285,240	\$ 264,775	\$ 291,665
Assessor	\$ 13,000	\$ 6,000	\$ 18,425
Financial Audit	\$ 10,000	\$ 8,035	\$ 11,000
GIS/Mapping	\$ 13,000	\$ 6,000	\$ 13,000
Legal	\$ 42,000	\$ 37,000	\$ 42,000
MSRs	\$ 180,000	\$ 180,000	\$ 180,000
Planning	\$ 10,000	\$ 10,000	\$ 8,000
Special Projects (document imaging)	\$ 2,000	\$ 2,000	\$ 2,000
Misc Investment Services/CCERA Fees	\$ 240	\$ 240	\$ 240
Special Studies/Workshop/Actuarial Valuation	\$ 12,000	\$ 12,000	\$ 12,000
Website Management	\$ 3,000	\$ 3,500	\$ 5,000
Data Processing Services - 2110 & 2315	\$ 13,000	\$ 2,329	\$ 11,000
Data Processing Security - 2326	\$ 1,000	-	\$ 1,000
Courier - 3622	\$ 1,200	\$ 250	\$ 1,200
Telcomm Rents, Leases, Labor - 2335	\$ 120	-	\$ 120
Other Inter-Dept Costs - 2340	\$ 700	-	\$ 700
Liability/E&O Insurance - 2360	\$ 6,920	\$ 8,143	\$ 7,760
Commission Training/Registration/Stipends - 2467	\$ 30,000	\$ 21,000	\$ 30,000
NOD/NOE Filings - 2490	600	\$ 150	\$ 300
Total Services & Supplies	\$ 412,210	\$ 320,812	\$ 408,500
Total Expenditures	\$ 892,702		\$ 905,614
Contingency Reserve	\$ 87,000		\$ 87,000
OPEB Trust	\$ 30,000		\$ 30,000
CCCERA Pre-Fund	\$ 25,000		\$ 25,000
TOTAL APPROPRIATIONS	\$ 1,034,702		\$ 1,047,614
TOTAL REVENUES	\$ 1,034,702		\$ 1,047,614
Agency contributions - 9500 & 9800	\$ 759,702		\$ 772,614
Application & other revenues	\$ 25,000		\$ 25,000
Fund Balance Contribution	\$ 250,000		\$ 250,000



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

June 11, 2025

June 11, 2025
Agenda Item 7

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

CALAFCO Updates and Legislative Position Letter

Dear Members of the Commission:

CALAFCO is pleased to announce they now have full staffing including a LAFCO Executive Officer, three Deputy Executive Officers, and Legal Counsel (Best Best Krieger). In addition, CALAFCO has several consultants including Pamela Miller - Miller Management & Consulting Group and Jean Hurst, Legislative Consultant. Also, CALAFCO recently posted on their website the Final CALAFCO *Revised Policies and Bylaws* available to members only.

CALAFCO is also developing a six to nine month action plan including immediate and future actions including hiring a new CALAFCO Interim Executive Director, reestablishing CALAFCO U, and conducting focus groups. The action plan also includes future 2025 and 2026 CALAFCO activities.

The 2025 annual CALAFCO conference will be held October 22-24 in San Diego. Additional details are forthcoming.

Regarding legislation, CALAFCO recently reached out to all LAFCOs noting concern regarding SB 777 (Richardson) which is now on the Senate floor. CALAFCO requests letters of concern or opposition unless amended.

SB 777 would require LAFCOs to direct local agencies to assume responsibility for abandoned privately-operated cemeteries. SB 777 could potentially add significant responsibilities to LAFCOs and also provides no direction to LAFCOs as to how to assess which local agency is best suited to assume such responsibility which will likely burden the local agency with additional fiscal and liability risks.

LAFCOs are subject to the *Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000* or “CKH Act”. In creating this statutory structure, the Legislature delegated the power to LAFCOs to regulate boundaries and services of local government agencies. LAFCOs are statutorily tasked with discouraging urban sprawl, preserving open space and prime agricultural

lands, encouraging the orderly formation and development of local agencies, and ensuring the efficient delivery of government services on the state's behalf.

While we are sympathetic to situations where private cemeteries were abandoned and left vulnerable to vandalism and decay, especially for those family members who are interred, LAFCO staff has concerns regarding SB 777.

Most local governments do not currently provide cemetery services. For a LAFCO to direct an entity to take responsibility for an abandoned private enterprise – especially one that may not have expertise that would lend itself to operating a cemetery – is inconsistent with LAFCOs' statutory role and historic practice. LAFCOs do not force service obligations on local agencies. Instead, LAFCOs engage in a deliberative process that incorporates publicly noticed hearings, engagement of local agencies, and opportunity for public comment.

SB 777 offers no specific direction as to how LAFCO is to proceed under the proposed legislation. Rather, it places the LAFCO in the unenviable position of trying to make an assessment without any guidance as to procedure or priorities from the legislature.

Finally, we are unaware of any adequate funding mechanisms that would accompany the transfer of responsibility for managing an abandoned cemetery and making the challenge of taking on the task even more difficult and less desirable for a local agency. We are concerned that taxpayers of a local agency would be concerned taking on additional fiscal and liability responsibilities of a private enterprise, especially when that enterprise does not serve the public at large.

RECOMMENDATION: 1) Send letter of opposition/concern.

Sincerely,

Lou Ann Texeira

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments

CALAFCO Update
Draft Letter of Opposition/Concern



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

June 11, 2025

The Honorable Laura Richardson
California State Senate
1021 O Street, Suite 7340
Sacramento, CA 95814

Re: **SB 777 (Richardson): Abandoned endowment care cemeteries: local agency possession and responsibility**
As amended 3/26/25 – CONCERNS/OPPOSE UNLESS AMENDED
Assembly Appropriations Committee Suspense File

Dear Senator Richardson:

On behalf of the Contra Costa Local Agency Formation Commission (LAFCO), we write to express our concerns regarding SB 777, a measure which would require LAFCOs to direct local agencies to assume responsibility for abandoned privately-operated cemeteries. SB 777 could potentially add significant responsibilities to LAFCOs and also provides no direction to LAFCOs as to how to assess which local agency is best suited to assume such responsibility which will likely burden the local agency with additional fiscal and liability risks.

LAFCOs are subject to the *Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000* or “CKH Act”. In creating this statutory structure, the Legislature delegated the power to LAFCOs to regulate boundaries and services of local government agencies. LAFCOs are statutorily tasked with discouraging urban sprawl, preserving open space and prime agricultural lands, encouraging the orderly formation and development of local agencies, and ensuring the efficient delivery of government services on the state’s behalf.

We are sympathetic to situations where private cemeteries were abandoned and left vulnerable to vandalism and decay, especially for those family members who are interred. However, most local governments do not currently provide cemetery services. For a LAFCO to direct an entity to take responsibility for an abandoned private enterprise – especially one that may not have expertise that would lend itself to operating a cemetery – is inconsistent with LAFCOs’ statutory role and historic practice. LAFCOs do not force service obligations on local agencies. Instead, LAFCOs engage in a deliberative process that incorporates publicly noticed hearings, engagement of local agencies, and opportunity for public comment.

SB 777 offers no specific direction as to how LAFCO is to proceed under the proposed legislation. Rather, it places the LAFCO in the unenviable position of trying to make an assessment without any guidance as to procedure or priorities from the legislature.

Finally, we are unaware of an adequate funding mechanism that would accompany the transfer of responsibility for managing an abandoned cemetery, making the challenge of taking on the task even more difficult and less desirable for a local agency. We are concerned that taxpayers of a local agency will not appreciate taking on additional fiscal and liability responsibilities of a private enterprise, especially when that enterprise does not serve the public at large.

Consequently, Contra Costa LAFCO has concerns and cannot support SB 777. Please contact us with any questions regarding our concerns.

Sincerely,

Mike McGill, Chair
Contra Costa LAFCO

cc: The Honorable Anna Caballero, Chair, Senate Appropriations Committee
Members and Consultants, Senate Appropriations Committee



Lou Ann Teixeira
Executive Officer

June 11, 2025 (Agenda)

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

**June 11, 2025
Agenda Item 8**

Executive Officer's Performance Review and Compensation

Dear Members of the Commission:

The Commission met on April 9, 2025, in Closed Session to discuss with the LAFCO Executive Officer's her performance.

Thereafter, the Chair discussed the salary recommendation as summarized in the attached memo.

Thank you for your consideration of the recommendation.

RECOMMENDATION

Consider the recommendation per the attached memo and take action as desired.

Sincerely,
Lou Ann Teixeira

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment

M E M O R A N D U M

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

40 Muir Road, First Floor ♦ Martinez CA 94553 ♦ (925) 313-7133

June 11, 2025

TO: Members of the Commission

FROM: Commissioners McGill and Quinto

SUBJECT: Executive Officer's Performance Review and Compensation

The Commission met in Closed Session on April 9, 2025, to discuss Executive Officer Lou Ann Texeira's performance evaluation.

The Vice Chair subsequently met with the Executive Officer to provide input regarding her performance review. During the meeting Commissioner comments were shared with the Executive Officer. Commissioners noted the dedicated and exceptional work provided by the Executive Officer.

It is recommended that the Commission approve a 4% increase to the Executive Officer's base salary effective January 1, 2025, resulting in an annual salary of \$ 205,845.



Lou Ann Teixeira
Executive Officer

June 11, 2025

June 11, 2025
Agenda Item 9

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 is an informational item describing active and potential LAFCO applications.

DISCUSSION: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 gives LAFCOs 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 (OAS). Applications involving jurisdictional changes filed by landowners, registered voters, and local agencies are placed on the Commission's agenda as information items before actions are considered by LAFCO at a subsequent meeting (Gov. Code §56857).

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

Current Applications – Under Review/Pending

- ✚ **LAFCO 25-02 - Annexation of Kensington Fire Protection District (KFPD) to KPPCSD and dissolution of KFPD** – An application was recently filed to annex the Kensington Fire Protection District (KFPD) to KPPCSD and dissolve KFPD.
- ✚ **LAFCO 16-06 - Tassajara Parks Project – SOI Amendment (LAFCO 16-07) and Boundary Reorganization (LAFCO 16-06)** – In 2016, the landowner (Vicky Chang) filed applications to amend the SOIs of Contra Costa County Sanitary District (CCCSD) and EBMUD and annex to both districts (30± acres) to develop 125 single-family homes. The subject area is located east of the City of San Ramon and the Town of Danville. The previous landowner recently sold the property and terminated the LAFCO applications. The new property owner recently contacted LAFCO regarding potential SOI amendments and annexation of the subject property. To date, no new applications have been filed.

EBMUD continues to oppose the project and indicates they will not be the water provider (or have the water supply to serve the project). This is consistent with their resolution passed on June 8, 2021. EBMUD staff notes they had meetings with the prior developer (and one where the County was included) to discuss the project. However, EBMUD staff has consistently reiterated their Board's position. EBMUD staff continue to participate in meetings as needed.

Potential and Other Applications

There are several potential applications that may be submitted to LAFCO in the near future including an annexation to West County Wastewater District, an annexation to Byron Bethany Irrigation District, and annexation to Mt. View Sanitary District. Also, since completion of the 2021 *Park & Recreation Municipal Services Review*, the Commission discussed dissolving County Service Area R-9. The matter has been continued since 2021. In April 2025, the Commission voted to continue the matter to April 8, 2026.

RECOMMENDATION – Informational item – no actions required.

Sincerely,

Lou Ann Texeira

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment – Current Applications Table

**CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
CURRENT APPLICATIONS – June 11, 2025**

File #	APPLICATION NAME/LOCATION	APPLICATION SUMMARY	STATUS
21-17	Dissolution of County Service Area R-9	In April 2025, LAFCO considered dissolving CSA R-9 and deferred action.	Continued to April 8, 2026.
25-02	Annexation of Kensington Fire Protection District to KCSD and Dissolution of KFPD	Application submitted in March 2025 by the KFPD	Application processing is underway.

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06-11-25 LAFCO Meeting Agenda Packet