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Agenda Item 7

July 8, 2026 (Agenda)

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

Countywide Water and Irrigation Districts - Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates (3rd Round) – Public Review Draft

Dear Members of the Commission:

BACKGROUND - The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires LAFCOs to prepare municipal service reviews (MSRs) prior to or in conjunction with sphere of influence (SOI) updates.

MSRs provide an assessment of the range and adequacy of municipal services provided in the County and serve as an important tool for LAFCO in fulfilling its legislative mandate to coordinate the efficient and logical development of local government agencies and services. The MSR serves as a basis for SOI updates and future boundary changes.

SUMMARY – This MSR covers one irrigation district (East Contra Costa Irrigation District), and three water districts (Castle Rock County Water District, Contra Costa Water District, and Diablo Water District) located entirely within Contra Costa County and one multi-county irrigation district (Bethany-Byron Irrigation District), with a service boundary area spanning Alameda, Contra Costa, and San Joaquin counties. Within Contra Costa County, the District’s boundary area is approximately 10,291 acres.

Water and irrigation districts provide many services, including the following:

- Delivery of untreated (raw) water for agricultural irrigation and municipal/industrial uses
- Provision of potable (treated) water for residential, commercial, and institutional customers
- Operation and maintenance of water conveyance, treatment, and distribution infrastructure
- Water quality monitoring and compliance with state and federal standards, as required
- Emergency preparedness efforts including participation in regional water supply, drought, and hazard planning

The 3rd round water and irrigation services MSR covers five irrigation and water districts as shown on the following page:

(Continued)

| <i>Water & Irrigation Districts</i> | |
|--|--------------------------------|
| Byron-Bethany Irrigation District (BBID) | MSR/SOI <i>retained</i> (2020) |
| Castle Rock County Water District (CRCWD) | MSR/SOI <i>retained</i> (2015) |
| Contra Costa Water District (CCWD) | MSR/SOI <i>retained</i> (2021) |
| Diablo Water District (DWD) | MSR/SOI <i>retained</i> (2021) |
| East Contra Costa Irrigation District (ECCID) | MSR/SOI <i>retained</i> (2019) |

MSRs provide an assessment of the range and adequacy of municipal services provided in the County and serve as an important tool for LAFCO in fulfilling its legislative mandate to coordinate the efficient and logical development of local government agencies and services.

The consulting team of *Policy Consulting Associates (PCA)* (Jennifer Stephenson and Melat Assefa) prepared the MSR report.

The *Public Review Draft MSR* reviews the five irrigation and water districts. The MSR authors and LAFCO extend our thanks to those individuals who provided responses to questionnaires, as well as planning and financial information and documents used in the MSR report.

MSR PROCESS - The MSR included contacting each water and irrigation districts with a request for information including background, challenges, funding, and other issues.

July 8, 2026, will be the first of two public hearings regarding the water and irrigation districts. At the meeting, the consultants will provide an overview of the *Public Review Draft* which is available on the LAFCO website at <https://www.contracostalafco.org/>. Final action on the MSR report will be taken at a future LAFCO meeting.

Following a presentation by the consultants, the project team will receive comments from the public and the Commission. The Commissioners will be asked to set a public hearing for September 9th, at which time the Commission will consider accepting the Final MSR report, adopting the required determinations, and updating the SOIs if needed.

DISCUSSION - *Municipal Service Review* - The 3rd round MSR/SOI updates includes five water and irrigation districts: Byron-Bethany Irrigation District (serving agricultural lands in eastern Contra Costa County), Castle Rock County Water District (serving a small residential area in Walnut Creek and adjacent unincorporated land), Contra Costa Water District (providing retail and wholesale water service across much of central and eastern Contra Costa County), Diablo Water District (serving Oakley and nearby unincorporated communities), and East Contra Costa Irrigation District (serving agricultural lands and portions of Brentwood, Oakley, Antioch, Knightsen, and adjacent unincorporated eastern Contra Costa County).

The MSR includes the following components:

- Overview of Contra Costa County’s setting, water resources, and applicable regulatory framework
- Individual description of each of the five districts covered in this MSR
- Accountability and governance analysis
- Facilities and service capacity analysis, including identification of any capacity constraints
- Financial ability to provide adequate services
- Recommended MSR determinations as required by the CKH Act

- Governance and Sphere of Influence (SOI) recommendations

Sphere of Influence Updates – The MSR process does not require LAFCO to initiate changes of organization based on MSR findings; it only requires that LAFCO make determinations regarding the provision of service and update SOIs, as necessary. The MSR serves as a basis for SOI updates and future boundary changes.

Details regarding governance structure and SOI options are included in the MSR report. LAFCO staff will provide SOI recommendations to the Commission, if needed. At the next LAFCO meeting, the Commission will be asked to accept the Final MSR report, make the required determinations, and update the SOIs.

RECOMMENDATIONS

1. Receive the LAFCO staff report and consultant’s overview,
2. Receive public comments and Commissioner comments, and
3. Direct staff to set a public hearing for September 9th at which time the Commission will be asked to accept the Final MSR, make the required determinations, and update the SOIs if needed.

Sincerely,

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c: Distribution

