



# LAFCO

## *Alameda* Local Agency Formation Commission

### NOTICE OF REGULAR MEETING AND AGENDA

ALAMEDA LOCAL AGENCY FORMATION COMMISSION

THURSDAY, SEPTEMBER 11, 2025

2:00 P.M.

Ralph Johnson, Chair — John Marchand Vice Chair — Nate Miley — David Haubert — Jack Balch — Mariellen Faria — Sblend Sblendorio  
Lena Tam, Alternate — Sherry Hu, Alternate — Peter Rosen, Alternate — Bob Woerner, Alternate

#### **In Person:**

Council Chamber  
Dublin City Hall  
100 Civic Plaza  
Dublin, CA 94568

#### **Or from the following remote locations:**

- 1221 Oak Street, Suite 536, Oakland, CA 94612

#### **Via Video-Teleconference Participation:**

<https://us02web.zoom.us/j/82983511571?pwd=bi8xWkVsU2QxYjB3bzE2S2lubnN2Zz09>

Meeting ID: 829 8351 1571

Password (if prompted): lafco or 140331

(669)-900-9128

**Remote participation by e-mail** is also welcomed by sending comments to LAFCO staff at [rachel.jones@acgov.org](mailto:rachel.jones@acgov.org). All e-mails received before 4:00 P.M. one business day before the meeting will be forwarded to the Commission and posted online. These comments will also be referenced at the meeting.

If you need assistance before the meeting, please contact Executive Officer, Rachel Jones at: [rachel.jones@acgov.org](mailto:rachel.jones@acgov.org)

1. **2:00 P.M. – Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment:** Anyone from the audience may address the Commission on any matter not listed on the agenda and within the jurisdiction of Alameda LAFCO. The Commission cannot act upon matters not appearing on the agenda. *Speakers are limited to three (3) minutes.*

**4. Consent Items:**

- a. Approval of Meeting Minutes: July 10, 2025 Regular Meeting
- b. Approval of Meeting Dates for Calendar Year 2026
- c. Contract Extension with Lamphier-Gregory
- d. Contract Extension with ADW Consulting
- e. Contract Amendment for Accounting Services
- f. Contract Amendment with Epic Insurance Brokers

**5. Castlewood County Service Area Governance Study and Contribution Request – (Business)**

The Alameda Local Agency Formation Commission (LAFCO) will receive a presentation from representatives of the Castlewood County Service Area (CCSA) regarding the findings of an *Existing Conditions Report* prepared by Berkson Associates. The report evaluates the governance, service delivery, and financial condition of the district and identifies potential alternative governance structures, including annexation to the City of Pleasanton.

**LAFCO Staff Recommendation:** Staff is presenting the report to provide context, outline the request, and seek Commission direction on whether to allocate funds toward the proposed Phase II analysis.

**6. LAFCO Retirement and Health Benefit Plan Options – (Business)**

The Alameda Local Agency Formation Commission (LAFCO) is asked to discuss and select retirement and health benefit providers to ensure implementation of LAFCO's transition to independence effective January 1, 2026.

**LAFCO Staff Recommendation:** Select providers for LAFCO's retirement and health and welfare benefits, and direct staff, in consultation with legal counsel, to finalize agreements with the chosen providers to ensure implementation by January 1, 2026.

**7. Draft Chart of Accounts for LAFCO Financial System – (Business)**

The Alameda Local Agency Formation Commission (LAFCO) will receive a report on the draft Chart of Accounts (CoA) prepared in support of the Commission's transition to full administrative and fiscal independence from Alameda County. The new CoA will establish a dedicated financial reporting framework tailored to LAFCO's operations, replacing the County's system beginning January 1, 2026.

**LAFCO Staff Recommendation:** Direct staff to work with the Policy and Budget Committee and the bookkeeper to finalize the CoA for implementation on January 1, 2026.

**8. Matters Initiated by Members of the Commission**

**9. Executive Officer Report**

**10. Informational Items**

- a. Current and Pending Proposals
- b. Progress Report on 2025-2026 Work Plan
- c. CALAFCO Annual Conference from October 22<sup>nd</sup> – 24<sup>th</sup> in San Diego

**11. Adjournment of Regular Meeting**

**Next Meetings of the Commission**

**Policy and Budget Committee Meeting**

**Thursday, October 2, 2025 at 2:00 p.m., Dublin City Hall, Bray Community Room**

**Regular Meeting**

**Thursday, November 13, 2025 at 2:00 p.m., Dublin City Hall, Council Chamber**

**DISCLOSURE OF BUSINESS OR CAMPAIGN CONTRIBUTIONS TO COMMISSIONERS**

Government Code Section 84308 requires that a Commissioner (regular or alternate) disqualify herself or himself and not participate in a proceeding involving an "entitlement for use" application if, within the last twelve months, the Commissioner has received **\$250 or more in business or campaign contributions from an applicant, an agent of an applicant, or any financially interested person who actively supports or opposes a decision on the matter.** A LAFCO decision approving a proposal (e.g., for an annexation) will often be an "entitlement for use" within the meaning of Section 84308. Sphere of Influence determinations are exempt under Government Code Section 84308.

If you are an applicant or an agent of an applicant on such a matter to be heard by the Commission and if you have made business or campaign contributions totaling \$250 or more to any Commissioner in the past twelve months, Section 84308(d) requires that you disclose that fact for the official record of the proceeding. The disclosure of any such contribution (including the amount of the contribution and the name of the recipient Commissioner) must be made either: 1) In writing and delivered to the Secretary of the Commission prior to the hearing on the matter, or 2) By oral declaration made at the time the hearing on the matter is opened. Contribution disclosure forms are available at the meeting for anyone who prefers to disclose contributions in writing.

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 3 months after a final decision is rendered by LAFCO. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) working days prior to the meeting for any requested arrangements or accommodations.

Alameda LAFCO Administrative Office  
224 West Winton Avenue, Suite 110  
Hayward, CA 94544  
T: 510.670.6267  
W: [alamedalafco.org](http://alamedalafco.org)





## AGENDA REPORT

September 11, 2025

Item No. 4a

**TO:** Alameda Commissioners

**FROM:** April L. Raffel, Commission Clerk

**SUBJECT:** July 10<sup>th</sup> Regular Meeting Minutes

The Alameda Local Agency Formation Commission (LAFCO) will consider draft minutes prepared for the regular meeting held on July 10, 2025. The minutes are in action-form and being presented for formal Commission approval.

### Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and – among other items – requires public agencies to maintain written minutes for qualifying meetings.

### Discussion

This item is for Alameda LAFCO to consider approving action minutes for the July 10, 2025, regular meeting. The attendance record for the meeting is as follows.

- All regular Commissioners were present except John Marchand (City Member)
- All alternate Commissioners were present except Lena Tam (County of Alameda)

### Alternatives for Action

The following alternatives are available to the Commission:

#### Alternative One (Recommended):

Approve the draft minutes prepared for Alameda LAFCO's July 10, 2025, regular meeting. (Attachment 1) with any desired corrections or clarifications.

#### Alternative Two:

Continue consideration of the report to a future meeting and provide directions to staff as needed.

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#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Vice Chair  
City of Livermore

Sherry Hu, Alternate  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare District

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



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April L. Raffel  
Commission Clerk

## **Attachments:**

1. Draft Meeting Minutes for July 10th, 2025, Regular Meeting

**SUMMARY ACTION MINUTES**  
**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**  
**July 10, 2025, Regular Meeting**  
**City of Dublin Council Chambers, 100 Civic Drive, Dublin, CA**

**1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

**2. ROLL CALL**

The regular meeting was called to order at 2:04 p.m. by Chair Johnson.  
The Commission Clerk performed the roll call with the following attendance recorded.

Regulars Present: Jack Balch, City of Pleasanton  
Mariellen Faria, Eden Township Healthcare District  
David Haubert, County of Alameda  
Ralph Johnson, Castro Valley Sanitary District (Chair)  
Nathan Miley, County of Alameda\*  
Sblend Sblendorio, Public Member

Alternates Present: Sherry Hu, City of Dublin (Voting)  
Peter Rosen, Hayward Area Recreation and Park District  
Bob Woerner, Public Member

Members Absent: John Marchand, City of Livermore  
Lena Tam, County of Alameda (alternate)

\*Attended by videoconference.

The Commission Clerk confirmed a quorum was present with seven voting members. Also present at the meeting were Executive Officer Rachel Jones, Commission Counsel Andrew Massey, and Commission Clerk April Raffel.

**3. RECOGNITION OF DEDICATED SERVICE**

The Commission honored Alternate Special District Member, Georgean Vonheeder-Leopold, for her outstanding service to Alameda LAFCO. Her thoughtful leadership, commitment to good governance, and advocacy for the public interest have contributed significantly to the agency's mission and success. The Commission extended its sincere gratitude for her 12 years of service and contributions to the LAFCO community.

**4. WELCOME NEW COMMISSIONER**

The Commission acknowledged the results of the Independent Special Districts Selection Committee election held on May 14, 2025, confirming the election of Peter Rosen from Hayward Area Recreation and Park District to the Alternate Special District Member seat.

**5. PUBLIC COMMENT:**

Chair Johnson invited anyone from the public to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were none.

**6. CONSENT ITEMS**

**Item 6a**

**Approval of Meeting Minutes for May 8, 2025, Regular Meeting**

The item presented to approve the draft action minutes prepared for the Commission's regular meeting on May 8, 2025. Recommendation to approve.

**Item 6b**

**Approval of Contract Extension for Professional Auditing Services**

The item presented to approve the Contract Extension for Professional Auditing Services. Recommendation to approve.

**Item 6c**

**Approval of the Legal Services Contract Agreement for General Counsel Services.**

The item presented to approve the Legal Services Contract Agreement for General Counsel Services. Recommendation to approve.

**Item 6d**

**Approval of the Time Extension for LAFCO File No. 2024-01**

The item presented to approve the time extension for LAFCO File No. 2024-01. Recommendation to approve.

Chair Johnson asked if the Commissioners would like to pull any consent items for discussion. Commissioner Balch noted a clerical error on the posted agenda regarding the Vice Chair.

Commissioner Sblendorio motioned with a second from Commissioner Haubert to approve the consent calendar. Roll call requested:

AYES:	Balch, Faria, Haubert, Hu (voting for Marchand), Johnson, Miley, and Sblendorio
NOES:	None
ABSENT:	Marchand
ABSTAIN:	None

The motion was approved 7-0.

**7. UPDATE AND PRESENTATION ON THE REGIONAL WATER AND WASTEWATER COMMITTEE – (Business)**

Executive Officer Jones introduced Eric Rosenblum, who presented an update on the Regional Water and Wastewater Committee initiative. His presentation highlighted key outcomes from May 21, 2025, interagency workshop and outlined recent developments regarding potential alignment with the Alameda County Special Districts Association (ACSDA).

No formal action is required at this time, unless otherwise directed by the Commission. A final report with findings and recommendations will be presented to the Commission at its next regular meeting.

Chair Johnson invited a Commission discussion. Commission discussion continued.

Chair Johnson invited public comments. There was one public comment to address the Commission from the following person:

- Georgean Vonheeder-Leopold, Dublin resident

Chair Johnson proceeded to close the public hearing. Commission discussion continued.

**8. SALC PLANNING GRANT APPLICATION - (Business)**

Executive Officer Jones presented a resolution for consideration authorizing Alameda LAFCO to serve as lead applicant for a \$500,000 Sustainable Agricultural Lands Conservation (SALC) planning grant. If awarded, the grant would support a two-year regional initiative to establish the Bay Area Agricultural Resiliency Collaborative and develop tools and strategies to advance farmland preservation, climate resilience, and equity goals across 11 counties. Staff also requested authorization to allocate up to \$50,000 over the two-year period as the required matching funds. The recommendation is to adopt the resolution authorizing Alameda LAFCO to serve as lead applicant; and authorize allocation of \$50,000 for matching funds over two years; and authorize the Executive Officer to return to the Commission with a grant agreement, if awarded.

Chair Johnson invited a Commission discussion. Commission discussion continued.

Chair Johnson invited public comments. There were none.

Commissioner Balch motioned with a second from Commissioner Sblendorio to approve item 8. It was further requested, though not part of the motion, that staff confirm participation from other Bay Area LAFCOs and seek contributions from them. Roll call requested:

AYES:	Balch, Faria, Hu (voting for Marchand), Haubert, Johnson, Miley, and Sblendorio
NOES:	None
ABSENT:	Marchand
ABSTAIN:	None

The motion was approved 7-0.

**9. CALAFCO BOARD NOMINATIONS AND VOTING DELEGATE – (Business)**

Executive Officer Jones announced that the California Association of Local Agency Formation Commissions (CALAFCO) will hold its Annual Conference from October 22-24 in San Diego. The recommendation is to appoint a voting delegate and alternate for the 2025 CALAFCO Annual Conference and provide staff with nominations for the CALAFCO Board of Directors.

Chair Johnson inquired if anyone was interested in attending the CALAFCO Annual Conference. Chair Johnson along with Commissioners Sblendorio and Rosen will be attending.

Commissioner Haubert motioned with a second from Commissioner Balch to appoint Alternate Commissioner Rosen as the voting delegate and Commissioner Sblendorio as the alternate voting delegate. Roll call requested:

AYES:	Balch, Faria, Hu (voting for Marchand), Haubert, Johnson, Miley, and Sblendorio
NOES:	None
ABSENT:	Marchand
ABSTAIN:	None

The motion was approved 7-0.

#### **10. POLICY AND BUDGET COMMITTEE APPOINTMENT – (Business)**

Executive Officer Jones reported that LAFCO's standing Policy and Budget Committee is responsible for reviewing and recommending policies, the annual work plan, and the annual budget to the Commission. The Committee meets at 2:00 p.m. on the first Thursday of even-numbered months at Dublin City Hall. Current members are Commissioners Johnson and Woerner. Staff requests that the Commission appoint one additional member to fill the remaining vacancy.

Commissioner Balch nominated Commissioner Mariellen Faria to serve on the Policy and Budget Committee with a second from Commissioner Sblendorio. Roll call requested:

AYES:	Balch, Faria, Hu (voting for Marchand), Haubert, Johnson, Miley, and Sblendorio
NOES:	None
ABSENT:	Marchand
ABSTAIN:	None

The motion was approved 7-0.

#### **11. MATTERS INITIATED BY MEMBERS OF THE COMMISSION**

- Commissioner Faria inquired about the transition to independence regarding the status of the request for proposals for HR and benefits services. Executive Officer Jones responded that no proposals were received; however, the County's Human Resource Services Department recommended a broker, and legal counsel is currently preparing the contract agreement.

#### **12. EXECUTIVE OFFICER REPORT**

- None

### 13. INFORMATIONAL ITEMS

- a. Current and Pending Proposals
- b. Progress Report on 2024-2025 Work Plan
- c. CALAFCO Update
- d. CALAFCO Annual Conference from October 22 – 24 in San Diego, California

### 14. ADJOURNMENT OF REGULAR MEETING

Chair Johnson adjourned the meeting at 2:52 p.m.

#### Next Meetings of the Commission

**Policy and Budget Committee Meeting**

**Thursday, August 7, 2025, at 2:00 p.m., Dublin City Hall, Bray Community Room**

**Regular Meeting**

**Thursday, September 11, 2025, at 2:00 p.m., Dublin City Hall, Council Chambers**

I hereby attest that the minutes above accurately reflect the Commission's deliberations at its July 10, 2025, regular meeting.

ATTEST,



April L. Raffel  
Commission Clerk

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**AGENDA REPORT**

September 11, 2025

Item No. 4b

**TO:** Alameda Commissioners**FROM:** Rachel Jones, Executive Officer**SUBJECT:** Approval of Meeting Dates for Calendar Year 2026

The Commission will consider setting regular dates for the upcoming calendar year as required under policy. Regular meetings will be held on the second Thursday of each odd-numbered month, except for January 15<sup>th</sup>, 2026, which has been adjusted to accommodate the holiday schedule. As a result, the proposed meeting dates for Calendar Year 2026 will be on January 15<sup>th</sup>, March 12<sup>th</sup>, May 14<sup>th</sup>, July 9<sup>th</sup>, September 10<sup>th</sup>, and November 12<sup>th</sup>.

**Information**

It is the policy of Alameda LAFCO ("Commission") to set its meeting schedule for the proceeding calendar year every September. All regular meetings are typically held on the second Thursday of each odd-numbered month, except for January 15<sup>th</sup>, 2026, which has been adjusted to accommodate the holiday schedule.

January 15, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting
March 12, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting
May 14, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting
July 9, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting
September 10, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting
November 12, 2026	Thursday 2:00 P.M. Dublin City Council Chambers	Regular Meeting

**Discussion**

This item is for the Commission to formally set meeting dates for the upcoming calendar year as required under policy. This includes considering anticipated workload and Commission preferences in holding meetings.

**Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Approve the following regular meeting dates on the second Thursday of each odd-numbered month, except for January 15<sup>th</sup>, 2026, which has been adjusted to accommodate the holiday schedule: January 15<sup>th</sup>, March 12<sup>th</sup>, May 14<sup>th</sup>, July 9<sup>th</sup>, September 10<sup>th</sup>, and November 12<sup>th</sup>.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

**Recommendation**

It is recommended the Commission proceed with Alternative Action One.

**Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Rachel Jones  
Executive Officer

Attachment: none



### AGENDA REPORT

September 11, 2025

Item No. 4c

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** **Second Amendment to Agreement | Lamphier-Gregory**

The Alameda Local Agency Formation Commission (LAFCO) will consider amending its existing agreement with the firm Lamphier-Gregory for professional consulting services. Staff recommends to retroactively extend the contract term from its expiration on June 30, 2025 through June 30, 2026 with no additional contract cost.

#### Information

In March 2021, the Commission approved a three-year contract with Lamphier-Gregory to provide professional planning services to Alameda LAFCO on an as-needed basis. The agreement included options for up to three additional one-year extensions.

The most recent contract term concluded on June 30, 2025. Staff is requesting retroactive approval of a one-year extension to maintain continuity of services while the Commission considers upcoming project workloads and staffing needs.

#### Discussion

Lamphier-Gregory has continued to support Alameda LAFCO's planning functions on an as-needed basis, including review of complex boundary proposals and assistance with policy development. Extending the agreement term through June 30, 2026 will ensure uninterrupted access to these services while preserving existing contract terms.

Staff requests the Commission approve and authorize the Executive Officer to sign an amendment to the agreement with Lamphier-Gregory to:

1. Extend the term of the agreement through June 30, 2026.
2. No increase to the contract's not-to-exceed amount; expenditures will remain within the existing authorization.
3. Sufficient funding is available within the FY 2025-2026 operating budget to cover anticipated tasks under this agreement.

A draft amendment reflecting the retroactive term extension is provided as Attachment 1.

### **Alternatives for Action**

The following alternatives are available to the Commission:

#### Alternative One (Recommended):

Authorize the Executive Officer to sign an amendment to the agreement with Lamphier-Gregory to extend the term of the agreement through June 30, 2026 with no additional contract cost.

#### Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

#### Alternative Three:

Deny the amendment to the agreement.

### **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

### **Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Rachel Jones  
Executive Officer

#### Attachments:

1. Second Amendment to Agreement – Lamphier-Gregory
2. Contract Agreement – Lamphier-Gregory

## SECOND AMENDMENT AGREEMENT

Reference is made to that contract entered into on the 15<sup>th</sup> day of March 2021, by and between the Alameda Local Agency Formation Commission, a public agency of the State of California, hereinafter "Alameda LAFCo," and Lamphier-Gregory, a business duly qualified in the State of California, whose principal place of business is 1944 Embarcadero, Oakland, CA 95606, hereinafter the "Contractor," and together, the "Parties" ("the Agreement") and that certain First Amendment to the Agreement dated May 9, 2025.

WHEREAS, the Parties desire to extend the term of the existing Agreement such that Contractor may continue to provide services to Alameda LAFCo under the existing scope of work and at the previously agreed-upon rates;

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

Said Agreement is hereby amended as follows:

1. Extend the term of the agreement through June 30, 2026.

This second amendment is effective July 1, 2025. Except as specifically amended, the remaining provisions of the Agreement remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this amendment.

Alameda LAFCO

Contractor  
Lamphier Gregory

By: \_\_\_\_\_  
Rachel Jones, LAFCO Executive Officer

By: \_\_\_\_\_  
Scott Gregory, President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM

Address:

\_\_\_\_\_  
Andrew Massey, LAFCO Legal Counsel

4100 Redwood Road, STE 20A, No. 601,  
Oakland, CA 9619

Taxpayer ID#: 94-3383314

P.O./Contract # \_\_\_\_\_

**ALAMEDA LAFCO, ALAMEDA COUNTY, STATE OF CALIFORNIA  
STANDARD AGREEMENT**

THIS AGREEMENT, made and entered into this 3rd day of May 2021, by and between the ALAMEDA LOCAL AGENCY FORMATION COMMISSION, a public agency of the State of California, hereafter called the "Alameda LAFCo", and Lamphier Gregory, a business duly qualified in the State of California, whose principal place of business is 1944 Embarcadero, Oakland, CA 94606, hereafter called the "Contractor."

**WITNESSETH**

WHEREAS, the Alameda LAFCo desires to obtain Professional Planning Services on an as-needed basis as described in Exhibit A hereto ("Services"); and

WHEREAS, Contractor is professionally qualified to provide such services and is willing to provide same to Alameda LAFCo; and

NOW, THEREFORE, it is agreed that Alameda LAFCo does hereby retain Contractor to provide As-Needed Professional Planning Services, and Contractor accepts such engagement, on the terms and conditions hereinafter specified in this Agreement, the Additional provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Definition of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements

CONTRACT PERIOD will be from March 15, 2021 through June 30, 2024. This Agreement may be extended for three additional one-year periods, if mutually agreed by both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

COMPENSATION: the Alameda LAFCo agrees to pay Contractor, pursuant to the terms set forth in Exhibit B, for services performed hereunder in a total amount not to exceed \$25,000 for the term of the current agreement, including all expenses and contingencies.

General Terms and Conditions, pages 3 through 11, attached hereto constitute a part of this agreement.

**IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.**

ALAMEDA LAFCO  
By: [Signature]  
LAFCO EXECUTIVE OFFICER

CONTRACTOR  
DocuSigned by:  
Scott Gregory  
0CB00FEDC09F345C  
Lamphier Gregory

By: Scott Gregory  
President  
Title  
4100 Redwood Road, STE 20A, #601,  
Oakland, CA, 94619  
Address  
94-3383314  
Tax Payer I.D. #

APPROVED AS TO FORM:

[Signature]  
LAFCO LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCo was duly authorized to execute this document on behalf of the Alameda LAFCo by a majority vote of the Commission on March 11, 2021; and that a copy has been delivered to the Chair as provided by Government Code Section 25103.

Date: \_\_\_\_\_

ATTEST:

April L. Raffel  
LAFCo Clerk  
Alameda LAFCo  
County of Alameda  
State of California

By: April L. Raffel

### **General Terms and Conditions**

1. **EMPLOYER/EMPLOYEE RELATIONSHIP:** No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent Contractor; that Contractor shall not have any claim under this Agreement or otherwise against the Alameda LAFCo for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind; that Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including, but not limited to, Federal and State income taxes, and in connection therewith Contractor shall indemnify and hold the Alameda LAFCo harmless from any and all liability which the Alameda LAFCo may incur because of Contractor's failure to pay such taxes; that Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of the Alameda LAFCo is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the agency concerned. Notwithstanding the foregoing, if the Alameda LAFCo determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, the Alameda LAFCo shall, upon two weeks notice to Contractor withhold from the payments to Contractor hereunder federal and state income taxes and pay said sums over to the Federal and State governments.
  
2. **HOLD/HARMLESS/INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify Alameda LAFCo, its Commissioners, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. Alameda LAFCo may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to Alameda LAFCo, including defense costs, and shall not be limited by any insurance limits.
  
3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with the Alameda LAFCo maintain in force those insurance policies as designated in the attached Exhibit C, "Certificate of Insurance, Service Contracts," and will comply with all those requirements as stated herein.
  
4. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from the Alameda LAFCo any costs, settlements, or expenses of Workers' Compensation claims arising out of this agreement.
  
5. **CONFORMITY WITH LAW AND SAFETY:**
  - A. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services or any part hereof, including all provisions of the



Occupational Safety and Health Act of 1979 and all amendments thereto, and all applicable federal, state, municipal, and local safety regulations. All services performed by Contractor must be in accordance with these laws, ordinances, codes and regulations. Contractor shall indemnify and hold the Alameda LAFCo harmless from any and all liability, fines, penalties and consequences from any noncompliance or violations of such laws, ordinances, codes and regulations. If a provision of this Agreement is found to be invalid, the parties legally, commercially, and practicably can continue this Agreement without that provision, and the remainder of this Agreement shall continue in force and effect unless an essential purpose of this Agreement would be defeated by the loss of such provision. In the event any of the terms, conditions, or provisions of this Agreement are held to be illegal or otherwise unenforceable, such term, condition or provision shall be deemed severable from the remainder of this Agreement and shall not cause any other part or provision of this Agreement to be illegal or unenforceable.

- B. **Accidents:** If death, serious personal injury or substantial property damage occurs in connection with the performance of this agreement, Contractor shall immediately notify the Alameda LAFCo by telephone. Contractor shall promptly submit to the Alameda LAFCo a written report, in such form as may be required by County of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's subcontractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of accident and whether any of LAFCo's equipment, tools, material, or staff were involved. Contractor further agrees that it shall take all reasonable steps to preserve all physical evidence and information which may be relevant to accidents or circumstances surrounding a potential claim, while maintaining public safety. Contractor shall provide the Alameda LAFCo the opportunity to review and inspect such evidence, including the scene of the accident.
- 6. **PAYMENT:** Payment to Contractor will be made only upon presentation of proper invoice by Contractor subject to the approval of the Alameda LAFCo, and in accordance with this Agreement, Exhibit B.
  - 7. **TRAVEL EXPENSES:** Payment to Contractor for travel expenses will be made only upon the prior approval of the Alameda LAFCo and presentation of a proper invoice by Contractor in accordance with this Agreement.
  - 8. **ROYALTIES AND INVENTIONS:** The Alameda LAFCo shall have a royalty-free, exclusive and irrevocable license to reproduce, publish and use the results produced in the course of or under this Agreement; and Contractor shall not publish any such material relating to the Alameda LAFCo without prior consent of the Alameda LAFCo.
  - 9. **CONFIDENTIALITY OF INFORMATION:** Confidential information is defined as all information disclosed to Contractor which relates to the Alameda LAFCo's past, present, and future activities, as well as activities under this Agreement. Contractor will hold all such information with the same degree of care which Contractor utilizes to protect its own data of a similar nature. Upon cancellation or expiration of this Agreement, Contractor will return to the Alameda LAFCo all written or descriptive matter which contain any such confidential information.

10. **CONFLICT OF INTEREST:** No officer, member, or employee of the Alameda LAFCo and no member of their governing bodies shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No Contractor, nor any member of Contractor's family shall serve on the Alameda LAFCo, or hold any such position which either by rule, practice or action nominates, recommends, supervises Contractor's operations, or authorizes funding to Contractor. Contractor shall immediately bring to Alameda LAFCo's attention any situation in which its client has, or is reasonably likely to have an application or other matter pending before Alameda LAFCo. The provisions of this Agreement are not exclusive, and thus Alameda LAFCo may at its discretion appoint a different firm to serve as its planner in the event of a conflict. Contractor agrees not to assign any of the key personnel identified in Exhibit A to any matter that is, or is likely to be pending before Alameda LAFCo regardless of whether Alameda LAFCo in its discretion decides to hire another firm to avoid a conflict.
11. **USE OF ALAMEDA LAFCO PROPERTY:** Contractor shall not use Alameda LAFCo premises or property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
12. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** Contractor assures that he/she/it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
  - A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - B. Contractor shall, if requested to so do by the Alameda LAFCo, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - C. If requested to do so by the Alameda LAFCo, Contractor shall provide the Alameda LAFCo with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
  - D. Contractor shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
  - E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - F. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.

13. **ASSIGNMENT OF CONTRACT:** Nothing contained in this Agreement shall be construed to permit assignment or transfer by Contractor of any rights under this Agreement and such assignment or transfer is expressly prohibited and void unless otherwise approved in writing by the Alameda LAFCo.
14. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with LAFCo's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any LAFCo facility or work site. If Contractor or any employee of Contractor is convicted or pleads nolo contendere to a criminal drug statute violation occurring at a LAFCo facility or work site, the Contractor within five days thereafter shall notify the head of the LAFCo department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.
15. **FEDERAL AND STATE AUDITS:** Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Contractor shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, this Agreement, and such books, documents, and records of Contractor that are necessary to certify the nature and extent of the reasonable cost of services to LAFCo. If Contractor enters into any Agreement with any related organization to provide services pursuant to this Agreement with value or cost of \$10,000 or more over a twelve-month period, such Agreement shall contain a clause to the effect that until the expiration of five years after the furnishing of services pursuant to such subcontract, the related organization shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph shall be of no force and effect when and if it is not required by law. LAFCo shall have access to Contractor's financial records for purposes of auditing payments made to Contractor hereunder. Such records shall be complete and available for audit ninety (90) days after final payment hereunder is made to Contractor hereunder and shall be retained and available for audit purposes for five (5) years after said final payment hereunder.
16. **TIME IS OF THE ESSENCE** in each and all the provisions of this agreement.
17. **AMENDMENT:** No change, alteration, variation, modification of the terms, termination or discharge of this Agreement shall be valid unless made in writing and signed by the parties hereto.
18. **ASSURANCE OF PERFORMANCE:** If at any time the Alameda LAFCo believes Contractor may not be adequately performing its obligations under this Agreement, that Contractor may fail to complete the Services as required by this Agreement, or has provided written notice of observed deficiencies in Contractor's performance, the Alameda LAFCo may request from Contractor prompt written assurances of performance and a written plan to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of receipt of the Alameda LAFCo's written request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, to diligently commence and fully perform such written plan, is a material breach under this Agreement.

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19. **KEY PERSONNEL:** Contractor shall identify key personnel assigned to perform services in Exhibit A and obtain LAFCo approval of any substitution of the contractor. If the contractor has subcontractors, this requirement extends to the subcontractors as well.
20. **SUBCONTRACTORS:** Contractor shall identify and obtain LAFCo approval of all subcontractors. Nothing provided herein shall create any obligation on the part of the Alameda LAFCo to pay or to see to the payment by Contractor of any monies to any subcontractor, supplier or vendor, nor create any relationship in contract or otherwise, express or implied between any such subcontractor, supplier or vendor and the Alameda LAFCo. Approval by the Alameda LAFCo of any subcontractor shall not constitute a waiver of any right of the Alameda LAFCo to reject defective work, material or equipment, not in compliance with the requirements of this Agreement.
21. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws, and its courts shall have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this Agreement.
22. **WAIVER:** Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, under this Agreement or any provisions of this Agreement.
23. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire Agreement between the Alameda LAFCo and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
24. **TERMINATION:** LAFCo may terminate this Agreement with or without cause by providing thirty (30) days notice, in writing, to the Contractor. Upon the expiration of said notice, this Agreement shall become of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged here from. The Alameda LAFCo may terminate at any time without notice upon material breach of the terms of this Agreement and/or in the event that the Alameda LAFCo determines that the Contractor's performance is substandard or unsatisfactory.
25. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Hold Harmless/Indemnification (paragraph 2), Confidentiality of Information (paragraph 9), and Conflict of Interest (paragraph 10), shall survive termination or expiration.
26. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
  - **Personal delivery:** When personally delivered to the recipient, notices are effective on delivery.
  - **First Class Mail:** When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.

- **Certified Mail:** When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
- **Overnight Delivery:** When delivered by overnight delivery (Federal Express/Airborne/ United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
- **Telex or facsimile transmission:** When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipients time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To LAFCo:                      Alameda LAFCO  
   224 West Winton Avenue, Suite 110  
   Hayward, CA 94544

To Contractor:                Lamphier Gregory  
   1944 Embarcadero  
   Oakland, CA 94606

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

**[END OF GENERAL TERMS AND CONDITIONS]**

**EXHIBIT A****EXHIBIT A – DEFINITION OF SERVICE**

The scope of services for this agreement includes providing a range of planning support services in a timely manner to the Alameda Local Agency Formation Commission (LAFCo).

The Contractor will provide, as-needed the following services:

- Reviewing and assisting with the processing of LAFCo applications (e.g., changes of organization, reorganizations, consolidations, dissolutions, formations, incorporations, etc.), including reviewing, providing comments and recommendations, and assisting with preparation of staff reports.
- Coordinating with applicants, affected agencies, affected LAFCOs, and the public.
- Policy and procedures development and update, as needed.
- Review and analysis of housing, fiscal, infrastructure, water availability, and open space/agricultural land preservation and conservation issues.
- California Environmental Quality Act (CEQA):
  - Reviewing and providing comment on various environmental documents received by LAFCO (e.g., Notices of Preparation, Negative Declarations, and Environmental Impact Reports).
  - Preparing CEQA documents, including exemptions, initial studies, negative declarations, notices of preparation and completion, environmental impact reports, findings of fact and statements of overriding considerations, and National Environmental Policy Act (NEPA) reviews, as needed.
- Providing planning support and technical assistance with municipal service reviews and sphere of influence updates, as needed.
- Implementation of all aspects of LAFCo's policies and procedures working in cooperation with staff and Commissioners.
- Providing training, facilitation, public information workshops, negotiations, and conflict resolution, as needed.
- Presentations or staffing at public hearings, workshops and other public meetings.
- Attending LAFCo and other meetings, as needed.
- Providing related duties as determined by LAFCo.

**Assigned Key Personnel:** Scott Gregory, President

**EXHIBIT B**

**EXHIBIT B – CONTRACT PAYMENT TERMS**

**Contracted Service:**

1. The Alameda LAFCo will pay Contractor for services provided herein, upon submittal of an invoice and summary report of services performed pursuant to this agreement. All services will be performed at the direction of, and with the prior authorization of, the LAFCo Executive Officer. Invoices will be approved by the Alameda LAFCo Executive Officer.
2. LAFCo will reimburse Contractor for miscellaneous contract-related expenses including telephone, supplies, postage, printing, reproduction, travel, meeting and meals. In accordance with paragraph 7 of the General Terms and Conditions, travel costs must be pre-approved to receive reimbursement. Payments under the terms of this Agreement shall not exceed \$25,000. This amount includes all travel expenses and contingencies.
  - a. For the purposes hereof, the billing rates are as listed in the firm's proposal and shown below:  
Scott Gregory, President: \$225/hour
3. Alameda LAFCo expects Contractor to cover all costs of professional development activities, training, and/or continuing education unless Alameda LAFCo requires such professional development activities, training and/or continuing education of Contractor or Contractor obtains prior written approval from LAFCo to incur the cost of such professional development activities, training and/or continuing education.
4. The term of this Agreement is March 15, 2021 through June 30, 2024.



**EXHIBIT C - MINIMUM INSURANCE REQUIREMENTS**

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following minimum insurance coverage, limits and endorsements:

<b>TYPE OF INSURANCE COVERAGES</b>		<b>MINIMUM LIMITS</b>
<b>A</b>	<b>Commercial General Liability</b> Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
<b>B</b>	<b>Commercial or Business Automobile Liability</b> All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
<b>C</b>	<b>Workers' Compensation (WC) and Employers Liability (EL)</b> Required for all contractors with employees	WC: Statutory Limits EL: \$1,000,000 per accident for bodily injury or disease
<b>D</b>	<p><b>Endorsements and Conditions:</b></p> <ol style="list-style-type: none"> <li><b>1. ADDITIONAL INSURED:</b> All insurance required above with the exception of Commercial or Business Automobile Liability, Workers' Compensation and Employers Liability, shall be endorsed to name as additional insured: the Alameda Local Agency Formation Commission (LAFCO), the individual members thereof, and all Alameda LAFCO officers, agents, employees, volunteers, and representatives. The Additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>2. DURATION OF COVERAGE:</b> All required insurance shall be maintained during the entire term of the Agreement. In addition, Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following the later of termination of the Agreement and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement.</li> <li><b>3. REDUCTION OR LIMIT OF OBLIGATION:</b> All insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to Alameda LAFCO. The primary and non-contributory endorsement shall be at least as broad as ISO Form 20 01 04 13. Pursuant to the provisions of this Agreement insurance effected or procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties.</li> <li><b>4. INSURER FINANCIAL RATING:</b> Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A:VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to Alameda LAFCO. Acceptance of Contractor's insurance by Alameda LAFCO shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor.</li> <li><b>5. SUBCONTRACTORS:</b> Contractor shall include all subcontractors as an insured (covered party) under its policies or shall verify that the subcontractor, under its own policies and endorsements, has complied with the insurance requirements in this Agreement, including this Exhibit. The additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>6. JOINT VENTURES:</b> If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by one of the following methods: <ul style="list-style-type: none"> <li>Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured" (covered party), or at minimum named as an "Additional Insured" on the other's policies. Coverage shall be at least as broad as in the ISO Forms named above.</li> <li>Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured".</li> </ul> </li> <li><b>7. CANCELLATION OF INSURANCE:</b> All insurance shall be required to provide thirty (30) days advance written notice to Alameda LAFCO of cancellation.</li> <li><b>8. CERTIFICATE OF INSURANCE:</b> Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to Alameda LAFCO, evidencing that all required insurance coverage is in effect. Alameda LAFCO reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent as set forth in the Notices provision.</li> </ol>	





### AGENDA REPORT

September 11, 2025

Item No. 4d

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT: Health Services Municipal Service Review | Request for Contract Extension**

The Alameda Local Agency Formation Commission (LAFCO) will consider amending its existing agreement with ADW Consulting, LLC. for professional consulting services to extend the contract through May 2026.

### Background

Alameda LAFCO's adopted 2024–2025 work plan includes preparation of a **Health Services Municipal Service Review (MSR)** and updates to related spheres of influence. In March 2025, the Commission awarded a contract to Progressive Healthcare, Inc. & ADW Consulting, LLC to conduct the MSR, with an initial six-month contract period and a not-to-exceed amount of \$32,000 for Phase I focusing on the Washington Township Healthcare District.

The consultants began work earlier this year and held an initial kickoff meeting with Washington Township's government affairs liaison. Since that time, consultants have submitted a detailed data request and proposed a site visit to meet with the District's executive team.

### Discussion

To date, Washington Township Healthcare District has not provided the requested data or committed to a schedule for review. Despite multiple follow-up efforts, the lack of timely responses has stalled progress on the agency profile and delayed next steps for the broader Health Services MSR.

Given these circumstances, staff and the consultants recommend that the Commission authorize an **eight-month contract extension**. This extension will allow sufficient time for:

- Washington Township Healthcare District to provide the outstanding data;
- A site visit with the District's CEO and executive team to take place;
- Completion of the Phase I agency profile; and
- A clear path to proceed with subsequent phases covering Eden Township Healthcare District, City of Alameda Healthcare District, and the Emergency Medical Services County Service Area.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

## **Financing**

The extension would not increase the previously authorized not-to-exceed contract amount of \$32,000 for Phase I. Instead, it allows additional time for deliverables to be completed within the existing budget.

## **Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Authorize an eight-month extension of the Health Services MSR Phase I contract with Progressive Healthcare, Inc. & ADW Consulting, LLC, extending the contract term through May 2026.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

### Alternative Three:

Decline to approve contract extension.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Rachel Jones  
Executive Officer

Attachment:

1. Contract Extension
2. Contract Agreement with Progressive Healthcare, Inc. & ADW Consulting, LLC

# AGREEMENT AMENDMENT

Reference is made to that contract entered into on the 14<sup>th</sup> day of March 2025, by and between the Alameda Local Agency Formation Commission, a public agency of the State of California, hereinafter “Alameda LAFCO,” and ADW Consulting, Inc., a business duly qualified in the State of California, whose principal place of business is 1640 10<sup>th</sup> Avenue, Unit 305, San Diego, CA 92101, hereinafter the “Contractor,” and together, the “Parties” (“the Agreement”).

WHEREAS, the Parties desire to extend the term of the existing Agreement such that Contractor may continue to provide services to Alameda LAFCO under the existing scope of work and at the previously agreed-upon rates;

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

Said Agreement is hereby amended as follows:

1. Extend the term of the agreement through May 11, 2026.

This amendment is effective September 11, 2025. Except as specifically amended, the remaining provisions of the Agreement remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this amendment.

Alameda LAFCO

Contractor

ADW Consulting, Inc.

By: \_\_\_\_\_  
Rachel Jones, LAFCO Executive Officer

By: \_\_\_\_\_  
Adam Wilson

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM

Address:

\_\_\_\_\_  
Andrew Massey, LAFCO Legal Counsel

1640 10<sup>th</sup> Avenue, Unit 305  
San Diego, CA 92101

Taxpayer ID#:

P.O./Contract # \_\_\_\_\_

**ALAMEDA LAFCO, ALAMEDA COUNTY, STATE OF CALIFORNIA  
STANDARD AGREEMENT**

THIS AGREEMENT, made and entered into this 14th day of March, 2025 by and between the ALAMEDA LOCAL AGENCY FORMATION COMMISSION, a public agency of the State of California, hereafter called the "Alameda LAFCO", and ADW Consulting, LLC., a business duly qualified in the State of California, whose principal place of business 1640 10<sup>th</sup> Avenue, Unit 305, San Diego, CA 92101 is hereafter called the "Contractor."

**WITNESSETH**

WHEREAS, the Alameda LAFCO desires to obtain professional consulting services related to the completion of the State-mandated sphere of influence updates and municipal service reviews for health services as described in Exhibit A attached hereto ("Services"); and

WHEREAS, Contractor is professionally qualified to provide such services; and

WHEREAS, the Alameda LAFCO desires to retain and employ the services of Contractor in connection with such work, and Contractor is agreeable with such employment.

NOW, THEREFORE, it is agreed that the Alameda LAFCO does hereby retain and employ Contractor to provide the Services in connection with such work, and Contractor accepts such employment, on the terms and conditions hereinafter specified in this Agreement and additional provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Scope of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements

CONTRACT PERIOD will be a continuance from March 14, 2025 through September 14, 2025. This Agreement may be extended by mutual agreement of both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

COMPENSATION: The Alameda LAFCO agrees to pay Contractor, pursuant to the terms set forth in Exhibit B, for services performed hereunder in a total amount not to exceed \$32,000 for the term of the current agreement, including all expenses, contingencies, and other miscellaneous expenses.

ADDITIONAL PROVISIONS, pages 3 through 11, attached hereto constitute a part of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ALAMEDA LAFCO

By

Rachel Jones  
LAFCO EXECUTIVE OFFICER

CONTRACTOR



CONTRACTOR

04/04/25

By

ADAM D. WILSON

Title PRESIDENT / FOUNDER

1640 10<sup>th</sup> Avenue, Unit 305  
San Diego, CA 92101

Address

Tax Payer I.D. # 86-1609897

APPROVED AS TO FORM :

Andrew Masey,  
LAFCO LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCO was duly authorized to execute this document on behalf of the Alameda LAFCO by its Small Contracting Authority Policy on March 13, 2025.

Date :

ATTEST :

Alameda LAFCO  
County of Alameda  
State of California

By

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ALAMEDA LAFCO

CONTRACTOR

By: \_\_\_\_\_



Rachel Jones  
LAFCO EXECUTIVE OFFICER

\_\_\_\_\_  
CONTRACTOR

By: \_\_\_\_\_


Title

11640 10<sup>th</sup> Avenue, Unit 305  
San Diego, CA 92101

Address

Tax Payer I.D. # \_\_\_\_\_

APPROVED AS TO FORM:



Andrew Massey,  
LAFCO LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCO was duly authorized to execute this document on behalf of the Alameda LAFCo by its Small Contracting Authority Policy on March 13, 2025.

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Alameda LAFCO  
County of Alameda  
State of California

By: \_\_\_\_\_



## **ADDITIONAL PROVISIONS**

1. **EMPLOYER/EMPLOYEE RELATIONSHIP:** No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent Contractor; that Contractor shall not have any claim under this Agreement or otherwise against the Alameda LAFCO for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind; that Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including, but not limited to, Federal and State income taxes, and in connection therewith Contractor shall indemnify and hold the Alameda LAFCO harmless from any and all liability which the Alameda LAFCO may incur because of Contractor's failure to pay such taxes; that Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of the Alameda LAFCO is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the agency concerned. Notwithstanding the foregoing, if the Alameda LAFCO determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, the Alameda LAFCO shall, upon two weeks notice to Contractor withhold from the payments to Contractor hereunder federal and state income taxes and pay said sums over to the Federal and State governments.
2. **HOLD HARMLESS/INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify Alameda LAFCO, its Commissioners, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. Alameda LAFCO may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to Alameda LAFCO, including defense costs, and shall not be limited by any insurance limits.
3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with Alameda LAFCO maintain in force those insurance policies as designated in the attached Exhibit C, "Insurance Requirements," and will comply with all those requirements as stated herein.
4. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from the Alameda LAFCO any costs, settlements, or expenses of Workers' Compensation claims arising out of this agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
  - A. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services or any part hereof, including all provisions of the Occupational Safety and Health Act of 1979 and all amendments thereto, and

all applicable federal, state, municipal, and local safety regulations. All services performed by Contractor must be in accordance with these laws, ordinances, codes and regulations. Contractor shall indemnify and hold Alameda LAFCO harmless from any and all liability, fines, penalties and consequences from any noncompliance or violations of such laws, ordinances, codes and regulations. If a provision of this Agreement is found to be invalid, the parties legally, commercially, and practicably can continue this Agreement without that provision, and the remainder of this Agreement shall continue in force and effect unless an essential purpose of this Agreement would be defeated by the loss of such provision. In the event any of the terms, conditions, or provisions of this Agreement are held to be illegal or otherwise unenforceable, such term, condition or provision shall be deemed severable from the remainder of this Agreement and shall not cause any other part or provision of this Agreement to be illegal or unenforceable.

- B. Accidents: If death, serious personal injury or substantial property damage occurs in connection with the performance of this agreement, Contractor shall immediately notify Alameda LAFCO by telephone. Contractor shall promptly submit to Alameda LAFCO a written report, in such form as may be required by Alameda LAFCO of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's subcontractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of accident and whether any of LAFCO's equipment, tools, material, or staff were involved. Contractor further agrees that it shall take all reasonable steps to preserve all physical evidence and information which may be relevant to accidents or circumstances surrounding a potential claim, while maintaining public safety. Contractor shall provide Alameda LAFCO the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: Payment to Contractor will be made only upon presentation of proper invoice by Contractor subject to the approval of Alameda LAFCO, and in accordance with this Agreement and its Exhibit B.
7. ROYALTIES AND INVENTIONS: The Alameda LAFCO shall have a royalty-free, exclusive and irrevocable license to reproduce, publish and use the results produced in the course of or under this Agreement; and Contractor shall not publish any such material relating to Alameda LAFCO without prior consent of Alameda LAFCO.
8. CONFIDENTIALITY OF INFORMATION: Confidential information is defined as all information disclosed to Contractor which relates to Alameda LAFCO's past, present, and future activities, as well as activities under this Agreement. Contractor will hold all such information with the same degree of care which Contractor utilizes to protect its own data of a similar nature. Upon cancellation or expiration of this Agreement, Contractor will return to Alameda LAFCO all written or descriptive matter which contains any such confidential information.
9. CONFLICT OF INTEREST: No officer, member, or employee of Alameda LAFCO and no member of its governing body shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No Contractor, nor any member of Contractor's family shall serve on the Alameda LAFCO, or hold any such position which either by rule, practice or action nominates, recommends, or supervises Contractor's operations, or authorizes funding to Contractor. Contractor shall immediately bring to Alameda LAFCO's attention any situation in which its client has, or is reasonably likely to have an application or other matter pending before Alameda LAFCO. The

provisions of this Agreement are not exclusive, and thus Alameda LAFCo may at its discretion appoint a different firm to serve as its consultant in the event of a conflict. Contractor agrees not to assign any of the key personnel identified in Exhibit A to any matter that is, or is likely to be pending before Alameda LAFCo regardless of whether Alameda LAFCo in its discretion decides to hire another firm to avoid a conflict.

10. **USE OF ALAMEDA LAFCo PROPERTY:** Contractor shall not use Alameda LAFCo premises or property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
11. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES/PROVISIONS:** Contractor assures that it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
  - A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - B. Contractor shall, if requested to so do by Alameda LAFCo, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - C. If requested to do so by Alameda LAFCo, Contractor shall provide Alameda LAFCo with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
  - D. Contractor shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
  - E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - F. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.
12. **ASSIGNMENT OF CONTRACT:** Nothing contained in this Agreement shall be construed to permit assignment or transfer by Contractor of any rights under this Agreement and such assignment or transfer is expressly prohibited and void unless otherwise approved in writing by Alameda LAFCo.
13. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with Alameda LAFCo's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any LAFCo facility or work site. If Contractor or any employee of Contractor is convicted or pleads

nolo contendere to a criminal drug statute violation occurring at an Alameda LAFCO facility or work site, the Contractor within five days thereafter shall notify the Executive Officer of Alameda LAFCO. Violation of this provision shall constitute a material breach of this Agreement.

14. **FEDERAL AND STATE AUDITS:** Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Contractor shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, this Agreement, and such books, documents, and records of Contractor that are necessary to certify the nature and extent of the reasonable cost of services to Alameda LAFCO. If Contractor enters into any Agreement with any related organization to provide services pursuant to this Agreement with value or cost of \$10,000 or more over a twelve-month period, such Agreement shall contain a clause to the effect that until the expiration of five years after the furnishing of services pursuant to such subcontract, the related organization shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph shall be of no force and effect when and if it is not required by law. Alameda LAFCO shall have access to Contractor's financial records for purposes of auditing payments made to Contractor hereunder. Such records shall be complete and available for audit ninety (90) days after final payment is made to Contractor hereunder and shall be retained and available for audit purposes for five (5) years after said final payment hereunder.
15. **TIME IS OF THE ESSENCE** in each and all of the provisions of this agreement.
16. **AMENDMENT:** No change, alteration, variation, modification of the terms, termination or discharge of this Agreement shall be valid unless made in writing and signed by the parties hereto.
17. **ASSURANCE OF PERFORMANCE:** If at any time Alameda LAFCO believes Contractor may not be adequately performing its obligations under this Agreement, that Contractor may fail to complete the Services as required by this Agreement, or has provided written notice of observed deficiencies in Contractor's performance, Alameda LAFCO may request from Contractor prompt written assurances of performance and a written plan to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of receipt of Alameda LAFCO's written request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, to diligently commence and fully perform such written plan, is a material breach under this Agreement.
18. **KEY PERSONNEL:** Contractor shall identify himself as key personnel assigned to perform services in Exhibit A and obtain Alameda LAFCO approval of any substitution by the Contractor of key personnel.
19. **SUBCONTRACTORS:** Contractor shall identify and obtain Alameda LAFCO approval of all subcontractors. Nothing provided herein shall create any obligation on the part of Alameda LAFCO to pay or to see to the payment by Contractor of any monies to any subcontractor, supplier or vendor, nor create any relationship in contract or otherwise, express or implied between any such subcontractor, supplier or vendor and Alameda LAFCO. Approval by Alameda LAFCO of any subcontractor shall not constitute a waiver of any right of Alameda LAFCO to reject defective work, material or equipment, not in compliance with the requirements of this Agreement.

20. CHOICE OF LAW: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws, and its courts shall have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this Agreement.
21. WAIVER: Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, under this Agreement or any provisions of this Agreement.
22. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire Agreement between Alameda LAFCO and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
23. TERMINATION: Alameda LAFCO may terminate this Agreement with or without cause by providing thirty (30) days notice, in writing, to the Contractor. Upon the expiration of said notice, this Agreement shall become of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged here from. Alameda LAFCO may terminate at any time without notice upon material breach of the terms of this Agreement and/or in the event that Alameda LAFCO determines that the Contractor's performance is substandard or unsatisfactory.
24. SURVIVAL: The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Hold Harmless/Indemnification (paragraph 2), Confidentiality of Information (paragraph 9), and Conflict of Interest (paragraph 10), shall survive termination or expiration.
25. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
  - Personal delivery: When personally delivered to the recipient, notices are effective on delivery.
  - First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
  - Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
  - Overnight Delivery: When delivered by overnight delivery (Federal Express/United Parcel Service/DHL, WorldWide Express/etc.) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
  - Telex or facsimile transmission: When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given

by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipients time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To LAFCO:                      Alameda LAFCO  
   224 West Winton, Suite 110  
   Hayward, CA 94544

To Contractor:                ADW Consulting, LLC.,  
   1640 10<sup>th</sup> Avenue, Unit 305  
   San Diego, CA 92101

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

[END OF ADDITIONAL PROVISIONS]

## **EXHIBIT A - SCOPE OF SERVICES**

The Consultant will prepare an agency profile for the Washington Healthcare District and may include the following topics as part of their evaluation:

1) Strategic Overview:

- Review of the Healthcare District's mission, vision, and strategic objectives.
- Examination of the District's organizational structure, governance framework and decision-making processes.
- Outline the regulatory framework for Healthcare Districts

2) Stakeholder Engagement:

- Initial engagement with key stakeholders, including board members, healthcare professionals, community representatives and any other interested stakeholders.
- Gather input and feedback on each District's services and performance.

3) Service Assessment:

- Evaluation of the range of services provided by the Healthcare District
- Analysis of service utilization, access, affordability, and quality of care for patients and community members.

4) Financial Review:

- High-level review of each District's financial health, revenue sources, expenditure, and debt.
- Identification of any major financial challenges now and into the future (i.e. reimbursement)
- Examination and comparison between both public and private funding mechanisms for each District.

5) Written Determinations under Government Code Section 56430. LAFCOs must adopt a written determination for each of the following considerations:

- Growth and population projections of the affected area
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
- Financial ability of agencies to provide services
- Status of and opportunities for shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by Commission policy

### **4. Deliverables**

Develop Key Performance Indicators:

The Consultant will develop a MSR framework that identifies key performance indicators crucial to the healthcare districts in Alameda County and with respect to their core municipal service functions, as well as any related subclasses to those core service functions.



**EXHIBIT B – CONTRACT PAYMENT TERMS**

1. The Alameda LAFCO will pay Contractor for services provided herein, upon submittal of an invoice and summary report of services performed pursuant to this agreement. All services will be performed at the direction of, and with the prior authorization of, the LAFCo Executive Officer. Invoices will be approved by the Alameda LAFCo Executive Officer. Payments under the terms of this Agreement shall not exceed \$32,000. This amount includes all administrative expenses and costs, travel expenses and contingencies. For the purposes assigned in the proposal, the billing rates are as listed in the firm's proposal and shown below:

Jim Price, \$200 per hour

Adam Wilson, \$200 per hour

160 hours total of work

2. Payments under the terms of this Agreement shall not exceed \$32,000. This amount includes: one agency profile draft in response to LAFCO staff review, all travel expenses, contingencies, and other miscellaneous expenses.
3. The term of this Agreement is March 13, 2025 to September 14, 2025.



**EXHIBIT C - MINIMUM INSURANCE REQUIREMENTS**

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following minimum insurance coverage, limits and endorsements:

TYPE OF INSURANCE COVERAGES	MINIMUM LIMITS
<b>A Commercial General Liability</b> Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
<b>B Commercial or Business Automobile Liability</b> All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
<b>C Workers' Compensation (WC) and Employers Liability (EL)</b> Required for all contractors with employees	WC: Statutory Limits EL: \$1,000,000 per accident for bodily injury or disease
<b>D Endorsements and Conditions:</b>	
<ol style="list-style-type: none"> <li><b>1. ADDITIONAL INSURED:</b> All insurance required above with the exception of Commercial or Business Automobile Liability, Workers' Compensation and Employers Liability, shall be endorsed to name as additional insured: the Alameda Local Agency Formation Commission (LAFCO), the individual members thereof, and all Alameda LAFCO officers, agents, employees, volunteers, and representatives. The Additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>2. DURATION OF COVERAGE:</b> All required insurance shall be maintained during the entire term of the Agreement. In addition, Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following the later of termination of the Agreement and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement.</li> <li><b>3. REDUCTION OR LIMIT OF OBLIGATION:</b> All insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to Alameda LAFCO. The primary and non-contributory endorsement shall be at least as broad as ISO Form 20 01 04 13. Pursuant to the provisions of this Agreement insurance effected or procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties.</li> <li><b>4. INSURER FINANCIAL RATING:</b> Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A:VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to Alameda LAFCO. Acceptance of Contractor's insurance by Alameda LAFCO shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor.</li> <li><b>5. SUBCONTRACTORS:</b> Contractor shall include all subcontractors as an insured (covered party) under its policies or shall verify that the subcontractor, under its own policies and endorsements, has complied with the insurance requirements in this Agreement, including this Exhibit. The additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>6. JOINT VENTURES:</b> If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by one of the following methods: <ul style="list-style-type: none"> <li>— Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured" (covered party), or at minimum named as an "Additional Insured" on the other's policies. Coverage shall be at least as broad as in the ISO Forms named above.</li> <li>— Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured".</li> </ul> </li> <li><b>7. CANCELLATION OF INSURANCE:</b> All insurance shall be required to provide thirty (30) days advance written notice to Alameda LAFCO of cancellation.</li> <li><b>8. CERTIFICATE OF INSURANCE:</b> Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to Alameda LAFCO, evidencing that all required insurance coverage is in effect. Alameda LAFCO reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent as set forth in the Notices provision.</li> </ol>	

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## AGENDA REPORT

September 11, 2025

Item No. 4e

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** Contract Amendment for Accounting Services | Expanded Scope

The Alameda Local Agency Formation Commission (LAFCO) will consider amending its existing contract agreement with consultant and public finance officer, Ms. Alyssa Schiffmann, to expand the scope of professional accounting services. The proposed amendment adds responsibilities for (1) establishing a payroll system for LAFCO staff, and (2) creating new financial and accounting policies to support LAFCO's transition to administrative and fiscal independence. The amendment also increases the contract amount by \$10,000, for a total not-to-exceed amount of \$35,000, to cover the expanded scope of services.

### Background

In March 2025, the Commission approved a 24-month contract (not-to-exceed \$25,000) with Ms. Schiffmann to provide professional accounting and bookkeeping services. The original scope focused on establishing a Chart of Accounts, reconciling County financials, and supporting independent reporting functions.

As Alameda LAFCO prepares to transition fully from County systems by January 1, 2026, additional support is required to ensure operational readiness. Specifically, LAFCO must:

- Implement an independent payroll system, including pay codes, reporting, and internal approval processes; and
- Adopt financial and accounting policies tailored to LAFCO's needs, including reserves, purchasing authority, payroll administration, and reporting requirements.

These tasks go beyond the original scope and require expanding the consultant's role.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

## **Discussion**

This item is for the Commission to consider the proposed amendment that would authorize Ms. Schiffmann to do the following:

- Coordinate with LAFCO's benefits consultant and payroll provider to set up payroll independent of the County.
- Draft financial and accounting policies for Commission consideration, supporting long-term accountability and internal controls.

To complete this work, the contract amount would increase by \$10,000, bringing the total not-to-exceed value to \$35,000. Staff believes this additional investment is critical to safeguard LAFCO's financial transition and to ensure compliance with state requirements.

## **Financing**

Adequate funding is budgeted in the FY 2025–2026 operating budget under consultant services to support LAFCO's independence transition. The proposed amendment increases the contract amount by \$10,000, for a total not-to-exceed of \$35,000. This cost can be absorbed within the current fiscal year budget allocation for consultant work, and no additional appropriation is required.

## **Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Amend the contract with Ms. Alyssa Schiffmann to:

1. Expand the scope of services to include payroll setup and financial/ accounting policy development; and
2. Increase the contract amount by \$10,000 for a new not-to-exceed total of \$35,000; and
3. Authorize the Executive Officer, with legal counsel's advice, to finalize and execute the amendment.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

Alternative Three:

Decline to approve contract extension.

**Recommendation**

It is recommended the Commission proceed with Alternative Action One.

**Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Rachel Jones  
Executive Officer

Attachment:

1. Contract Extension
2. Contract Agreement with Ms. Alyssa Schiffmann, Contract Bookkeeper

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# AGREEMENT AMENDMENT

Reference is made to that contract entered into on the 14<sup>th</sup> day of July 2025, by and between the Alameda Local Agency Formation Commission, a public agency of the State of California, hereinafter “Alameda LAFCo,” and Ms. Alyssa Schiffmann, a consultant duly qualified in the State of California, whose principal place of business is 21A Rowland Court, San Anselmo, CA 94960, hereinafter the “Contractor,” and together, the “Parties” (“the Agreement”).

WHEREAS, the Agreement included professional consulting services for accounting services that is a part of LAFCO's transition plan for operational independence; and

WHEREAS, Alameda LAFCO desires to expand the scope of work to include advice and assistance in implementing a payroll system and drafting proposed financial and accounting policies, which will necessitate increasing the not-to-exceed amount of the Agreement to fund the additional phase of the work; and

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

Said Agreement is hereby amended as follows:

1. Contractor shall as additional scope of work:
  - a. As needed, provide advice and assist with implementing an independent payroll system, including incorporation of pay codes, reporting, and internal approval processes; and
  - b. Develop for Alameda LAFCo’s review and approval financial and accounting policies tailored to LAFCO’s needs, including reserves, purchasing authority, payroll administration, and reporting requirements. Contractor shall deliver draft financial and accounting policies, and any required revisions thereto, in accordance with a schedule to be developed by the parties.
2. Increase the contract amount by \$10,000 for a total contract not-to-exceed amount of \$35,000.

This amendment is effective September 11, 2025. Except as specifically amended, the remaining provisions of the Agreement remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this amendment.

Alameda LAFCO

Contractor  
Alyssa Schiffmann

By: \_\_\_\_\_  
Rachel Jones, LAFCO Executive Officer

By: \_\_\_\_\_  
Alyssa Schiffmann

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM

Address:

\_\_\_\_\_  
Andrew Massey, LAFCO Legal Counsel

21A Rowland Court  
San Anselmo, CA 94960

Taxpayer ID#: 566-78-7931



P.O./Contract # \_\_\_\_\_

**ALAMEDA LAFCO, ALAMEDA COUNTY, STATE OF CALIFORNIA  
STANDARD AGREEMENT**

THIS AGREEMENT, made and entered into this 14th day of July, 2025 by and between the ALAMEDA LOCAL AGENCY FORMATION COMMISSION, a public agency of the State of California, hereafter called the "Alameda LAFCO", and Arcadian Tax & Financial Services, LLC., a professional consultant duly qualified in the State of California, whose principal place of business 21A Rowland Court, San Anselmo, CA 94960, is hereafter called the "Contractor."

**WITNESSETH**

WHEREAS, the Alameda LAFCO desires to obtain professional consulting services for a accounting services that is a part of LAFCO's transition plan for operational independence and the proposal can be viewed in Exhibit A attached hereto ("Services"); and

WHEREAS, Contractor is professionally qualified to provide such services; and

WHEREAS, the Alameda LAFCO desires to retain and employ the services of Contractor in connection with such work, and Contractor is agreeable with such employment.

NOW, THEREFORE, it is agreed that the Alameda LAFCO does hereby retain and employ Contractor to provide the Services in connection with such work, and Contractor accepts such employment, on the terms and conditions hereinafter specified in this Agreement and additional provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Scope of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements

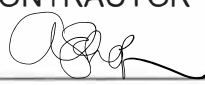
CONTRACT PERIOD will be a continuance from July 14, 2025 through March 14, 2027. This Agreement may be extended by mutual agreement of both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

COMPENSATION: The Alameda LAFCO agrees to pay Contractor, pursuant to the terms set forth in Exhibit B, for services performed hereunder in a total amount not to exceed \$25,000 for the term of the current agreement, including all expenses, contingencies, and other miscellaneous expenses.

ADDITIONAL PROVISIONS, pages 3 through 11, attached hereto constitute a part of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

By:  \_\_\_\_\_  
Rachel Jones  
LAFCO EXECUTIVE OFFICER

CONTRACTOR  
 \_\_\_\_\_  
CONTRACTOR


By: Alyssa Schiffmann

Title: Principal

21A Rowland Court  
San Anselmo, CA 94960

Tax Payer I.D. # 555-43-3895

APPROVED AS TO FORM:

 \_\_\_\_\_  
Andrew Massey,  
LAFCO LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCO was duly authorized to execute this document on behalf of the Alameda LAFCO by a majority vote of the Commission on March 13, 2025.

Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Alameda LAFCO  
County of Alameda  
State of California

By: \_\_\_\_\_

### **ADDITIONAL PROVISIONS**

1. **EMPLOYER/EMPLOYEE RELATIONSHIP:** No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent Contractor; that Contractor shall not have any claim under this Agreement or otherwise against the Alameda LAFCO for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind; that Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including, but not limited to, Federal and State income taxes, and in connection therewith Contractor shall indemnify and hold the Alameda LAFCO harmless from any and all liability which the Alameda LAFCO may incur because of Contractor's failure to pay such taxes; that Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of the Alameda LAFCO is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the agency concerned. Notwithstanding the foregoing, if the Alameda LAFCO determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, the Alameda LAFCO shall, upon two weeks notice to Contractor withhold from the payments to Contractor hereunder federal and state income taxes and pay said sums over to the Federal and State governments.
  
2. **HOLD HARMLESS/INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify Alameda LAFCO, its Commissioners, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. Alameda LAFCO may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to Alameda LAFCO, including defense costs, and shall not be limited by any insurance limits.
  
3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with Alameda LAFCO maintain in force those insurance policies as designated in the attached Exhibit C, "Insurance Requirements," and will comply with all those requirements as stated herein.
  
4. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from the Alameda LAFCO any costs, settlements, or expenses of Workers' Compensation claims arising out of this agreement.
  
5. **CONFORMITY WITH LAW AND SAFETY:**
  - A. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services or any part hereof, including all provisions of the Occupational Safety and Health Act of 1979 and all amendments thereto, and

all applicable federal, state, municipal, and local safety regulations. All services performed by Contractor must be in accordance with these laws, ordinances, codes and regulations. Contractor shall indemnify and hold Alameda LAFCO harmless from any and all liability, fines, penalties and consequences from any noncompliance or violations of such laws, ordinances, codes and regulations. If a provision of this Agreement is found to be invalid, the parties legally, commercially, and practicably can continue this Agreement without that provision, and the remainder of this Agreement shall continue in force and effect unless an essential purpose of this Agreement would be defeated by the loss of such provision. In the event any of the terms, conditions, or provisions of this Agreement are held to be illegal or otherwise unenforceable, such term, condition or provision shall be deemed severable from the remainder of this Agreement and shall not cause any other part or provision of this Agreement to be illegal or unenforceable.

- B. Accidents: If death, serious personal injury or substantial property damage occurs in connection with the performance of this agreement, Contractor shall immediately notify Alameda LAFCO by telephone. Contractor shall promptly submit to Alameda LAFCO a written report, in such form as may be required by Alameda LAFCO of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's subcontractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of accident and whether any of LAFCO's equipment, tools, material, or staff were involved. Contractor further agrees that it shall take all reasonable steps to preserve all physical evidence and information which may be relevant to accidents or circumstances surrounding a potential claim, while maintaining public safety. Contractor shall provide Alameda LAFCO the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: Payment to Contractor will be made only upon presentation of proper invoice by Contractor subject to the approval of Alameda LAFCO, and in accordance with this Agreement and its Exhibit B.
7. ROYALTIES AND INVENTIONS: The Alameda LAFCO shall have a royalty-free, exclusive and irrevocable license to reproduce, publish and use the results produced in the course of or under this Agreement; and Contractor shall not publish any such material relating to Alameda LAFCO without prior consent of Alameda LAFCO.
8. CONFIDENTIALITY OF INFORMATION: Confidential information is defined as all information disclosed to Contractor which relates to Alameda LAFCO's past, present, and future activities, as well as activities under this Agreement. Contractor will hold all such information with the same degree of care which Contractor utilizes to protect its own data of a similar nature. Upon cancellation or expiration of this Agreement, Contractor will return to Alameda LAFCO all written or descriptive matter which contains any such confidential information.
9. CONFLICT OF INTEREST: No officer, member, or employee of Alameda LAFCO and no member of its governing body shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No Contractor, nor any member of Contractor's family shall serve on the Alameda LAFCO, or hold any such position which either by rule, practice or action nominates, recommends, or supervises Contractor's operations, or authorizes funding to Contractor. Contractor shall immediately bring to Alameda LAFCO's attention any situation in which its client has, or is reasonably likely to have an application or other matter pending before Alameda LAFCO. The

provisions of this Agreement are not exclusive, and thus Alameda LAFCo may at its discretion appoint a different firm to serve as its consultant in the event of a conflict. Contractor agrees not to assign any of the key personnel identified in Exhibit A to any matter that is, or is likely to be pending before Alameda LAFCo regardless of whether Alameda LAFCo in its discretion decides to hire another firm to avoid a conflict.

10. **USE OF ALAMEDA LAFCO PROPERTY:** Contractor shall not use Alameda LAFCo premises or property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
11. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES/PROVISIONS:** Contractor assures that it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
  - A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - B. Contractor shall, if requested to so do by Alameda LAFCo, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - C. If requested to do so by Alameda LAFCo, Contractor shall provide Alameda LAFCo with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
  - D. Contractor shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
  - E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - F. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.
12. **ASSIGNMENT OF CONTRACT:** Nothing contained in this Agreement shall be construed to permit assignment or transfer by Contractor of any rights under this Agreement and such assignment or transfer is expressly prohibited and void unless otherwise approved in writing by Alameda LAFCo.
13. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with Alameda LAFCo's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any LAFCo facility or work site. If Contractor or any employee of Contractor is convicted or pleads

nolo contendere to a criminal drug statute violation occurring at an Alameda LAFCO facility or work site, the Contractor within five days thereafter shall notify the Executive Officer of Alameda LAFCO. Violation of this provision shall constitute a material breach of this Agreement.

14. **FEDERAL AND STATE AUDITS:** Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Contractor shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, this Agreement, and such books, documents, and records of Contractor that are necessary to certify the nature and extent of the reasonable cost of services to Alameda LAFCO. If Contractor enters into any Agreement with any related organization to provide services pursuant to this Agreement with value or cost of \$10,000 or more over a twelve-month period, such Agreement shall contain a clause to the effect that until the expiration of five years after the furnishing of services pursuant to such subcontract, the related organization shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph shall be of no force and effect when and if it is not required by law. Alameda LAFCO shall have access to Contractor's financial records for purposes of auditing payments made to Contractor hereunder. Such records shall be complete and available for audit ninety (90) days after final payment is made to Contractor hereunder and shall be retained and available for audit purposes for five (5) years after said final payment hereunder.
15. **TIME IS OF THE ESSENCE** in each and all of the provisions of this agreement.
16. **AMENDMENT:** No change, alteration, variation, modification of the terms, termination or discharge of this Agreement shall be valid unless made in writing and signed by the parties hereto.
17. **ASSURANCE OF PERFORMANCE:** If at any time Alameda LAFCO believes Contractor may not be adequately performing its obligations under this Agreement, that Contractor may fail to complete the Services as required by this Agreement, or has provided written notice of observed deficiencies in Contractor's performance, Alameda LAFCO may request from Contractor prompt written assurances of performance and a written plan to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of receipt of Alameda LAFCO's written request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, to diligently commence and fully perform such written plan, is a material breach under this Agreement.
18. **KEY PERSONNEL:** Contractor shall identify himself as key personnel assigned to perform services in Exhibit A and obtain Alameda LAFCO approval of any substitution by the Contractor of key personnel.
19. **SUBCONTRACTORS:** Contractor shall identify and obtain Alameda LAFCO approval of all subcontractors. Nothing provided herein shall create any obligation on the part of Alameda LAFCO to pay or to see to the payment by Contractor of any monies to any subcontractor, supplier or vendor, nor create any relationship in contract or otherwise, express or implied between any such subcontractor, supplier or vendor and Alameda LAFCO. Approval by Alameda LAFCO of any subcontractor shall not constitute a waiver of any right of Alameda LAFCO to reject defective work, material or equipment, not in compliance with the requirements of this Agreement.

20. CHOICE OF LAW: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws, and its courts shall have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this Agreement.
21. WAIVER: Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, under this Agreement or any provisions of this Agreement.
22. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire Agreement between Alameda LAFCO and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
23. TERMINATION: Alameda LAFCO may terminate this Agreement with or without cause by providing thirty (30) days notice, in writing, to the Contractor. Upon the expiration of said notice, this Agreement shall become of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged here from. Alameda LAFCO may terminate at any time without notice upon material breach of the terms of this Agreement and/or in the event that Alameda LAFCO determines that the Contractor's performance is substandard or unsatisfactory.
24. SURVIVAL: The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Hold Harmless/Indemnification (paragraph 2), Confidentiality of Information (paragraph 9), and Conflict of Interest (paragraph 10), shall survive termination or expiration.
25. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
  - Personal delivery: When personally delivered to the recipient, notices are effective on delivery.
  - First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
  - Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
  - Overnight Delivery: When delivered by overnight delivery (Federal Express/United Parcel Service/DHL WorldWide Express/etc.) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
  - Telex or facsimile transmission: When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given

by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To LAFCO:                      Alameda LAFCO  
   224 West Winton, Suite 110  
   Hayward, CA 94544

To Contractor:                Alyssa Schiffmann  
   21A Rowland Court  
   San Anselmo, CA 94960

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

[END OF ADDITIONAL PROVISIONS]



## EXHIBIT A - SCOPE OF SERVICES

### Bookkeeping Services

- **Engagement:**

- The bookkeeper will establish all necessary financial accounts and maintain a comprehensive chart of accounts aligned with LAFCO's operational needs.
- The bookkeeper will coordinate with appropriate County staff to collect and gain access to necessary accounting information.
- The bookkeeper will complete the chart of accounts for Alameda LAFCO by August 31, 2025.

- **Responsibilities:**

- The bookkeeper will keep detailed records of account setups (account numbers, descriptions, categorizations) and perform monthly reconciliations.
- All expenditures and financial activities will be documented and presented for review at Commission meetings.

**EXHIBIT B – CONTRACT PAYMENT TERMS**

Contracted Service:

1. The Alameda LAFCo will pay Contractor for services provided herein, upon submittal of an invoice and summary report of services performed pursuant to this agreement. All services will be performed at the direction of, and with the prior authorization of, the LAFCO Executive Officer. Invoices will be approved by the Alameda LAFCO Executive Officer. Payments under the terms of this Agreement shall not exceed \$25,000. This amount includes all administrative expenses and costs, travel expenses and contingencies. For the purposes assigned in the proposal, the billing rates are as listed in the firm's proposal and shown below:

Alyssa Schiffmann, Consultant: \$157/hour



2. Alameda LAFCo expects Contractor to cover all costs of professional development activities, training, and/or continuing education unless Alameda LAFCO requires such professional development activities, training and/or continuing education of Contractor or Contractor obtains prior written approval from LAFCO to incur the cost of such professional development activities, training and/or continuing education.
3. The term of this Agreement is July 14, 2025 through March 13, 2027.

**EXHIBIT C - MINIMUM INSURANCE REQUIREMENTS**

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following minimum insurance coverage, limits and endorsements:

<b>TYPE OF INSURANCE COVERAGES</b>		<b>MINIMUM LIMITS</b>
<b>A</b>	<b>Commercial General Liability</b> Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
<b>B</b>	<b>Commercial or Business Automobile Liability</b> All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
<b>C</b>	<b>Workers' Compensation (WC) and Employers Liability (EL)</b> Required for all contractors with employees	WC: Statutory Limits EL: \$1,000,000 per accident for bodily injury or disease
<b>D</b>	<b><u>Endorsements and Conditions:</u></b> <ol style="list-style-type: none"> <li><b>ADDITIONAL INSURED:</b> All insurance required above with the exception of Commercial or Business Automobile Liability, Workers' Compensation and Employers Liability, shall be endorsed to name as additional insured: the Alameda Local Agency Formation Commission (LAFCO), the individual members thereof, and all Alameda LAFCO officers, agents, employees, volunteers, and representatives. The Additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>DURATION OF COVERAGE:</b> All required insurance shall be maintained during the entire term of the Agreement. In addition, Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following the later of termination of the Agreement and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement.</li> <li><b>REDUCTION OR LIMIT OF OBLIGATION:</b> All insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to Alameda LAFCO. The primary and non-contributory endorsement shall be at least as broad as ISO Form 20 01 04 13. Pursuant to the provisions of this Agreement insurance effected or procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties.</li> <li><b>INSURER FINANCIAL RATING:</b> Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A:VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to Alameda LAFCO. Acceptance of Contractor's insurance by Alameda LAFCO shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor.</li> <li><b>SUBCONTRACTORS:</b> Contractor shall include all subcontractors as an insured (covered party) under its policies or shall verify that the subcontractor, under its own policies and endorsements, has complied with the insurance requirements in this Agreement, including this Exhibit. The additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>JOINT VENTURES:</b> If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by one of the following methods: <ul style="list-style-type: none"> <li>Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured" (covered party), or at minimum named as an "Additional Insured" on the other's policies. Coverage shall be at least as broad as in the ISO Forms named above.</li> <li>Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured".</li> </ul> </li> <li><b>CANCELLATION OF INSURANCE:</b> All insurance shall be required to provide thirty (30) days advance written notice to Alameda LAFCO of cancellation.</li> <li><b>CERTIFICATE OF INSURANCE:</b> Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to Alameda LAFCO, evidencing that all required insurance coverage is in effect. Alameda LAFCO reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent as set forth in the Notices provision.</li> </ol>	

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## AGENDA REPORT

September 11, 2025

Item No. 4f

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** **Contract Amendment with Epic Insurance Brokers**

The Alameda Local Agency Formation Commission (LAFCO) will consider its contract with Epic Insurance Brokers to authorize expanded services related to retirement, health benefits, and human resources policy development, in an amount not to exceed \$10,000. Staff recommends approval.

### Background

Alameda LAFCO is continuing its transition toward full independence from Alameda County effective January 1, 2026. A critical part of this process is the establishment of new retirement, health, and welfare benefits for employees, along with the adoption of personnel policies to guide operations as an independent employer. Epic Insurance Brokers was retained under the Executive Officer's small contracting authority at the Commission's last regular meeting to provide initial comparative analysis of ACERA, CalPERS, and SDRMA benefit options.

Given the short implementation timeline and specialized expertise needed, staff recommends expanding the consultant's role to guide the next phase of the transition, which includes HR policy development, and coordination with payroll and benefit providers. The Commission is asked to consider a contract amendment authorizing these expanded services in an amount not to exceed \$10,000.

### Discussion

This item is for the Commission to consider the proposed expanded scope of services for Epic Insurance Brokers to support LAFCO's transition to independence. Building on the initial retirement and health benefits analysis, the consultant would assist with the following next-phase tasks:

## Human Resources Policy Development

- ❖ Draft LAFCO-specific personnel policies covering:
  - Employee classification
  - Compensation and salary structure
  - Leave policies (vacation, sick leave, FMLA)
  - Performance evaluations and disciplinary procedures
- ❖ Ensure compliance with California labor laws, California Public Employee's Pension Reform Act of 2013 (PEPRA), and public sector employment regulations.
- ❖ Implementation Strategy
  - Develop a phased transition plan for integrating new benefit and HR systems.
  - Provide guidance on employee enrollment and transition logistics.
  - Assist in coordinating with benefit providers and payroll services to ensure seamless implementation.

The consultant estimates the project will take 4-6 weeks to complete, at a fee not to exceed \$10,000.

## Financing

Adequate funding is budgeted in the FY 2025–2026 operating budget under consultant services to support LAFCO's independence transition. The proposed \$10,000 contract amendment can be absorbed within the current fiscal year budget allocation for consultant work. No additional appropriation is required.

## Alternatives for Action

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Amend the contract with Epic Insurance Brokers to expand the scope of services outlined above, in an amount not to exceed \$10,000; and authorize the Executive Officer, in consultation with legal counsel, to finalize and execute the amendment.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

### Alternative Three:

Take no action and limit services to the initial contract scope already completed.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Rachel Jones  
Executive Officer

### **Attachment:**

1. Contract Extension
2. Contract Agreement with Epic Brokers Insurance

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## AGREEMENT AMENDMENT

Reference is made to that contract entered into on the 11<sup>th</sup> day of July 2025, by and between the Alameda Local Agency Formation Commission, a public agency of the State of California, hereinafter “Alameda LAFCo,” and Epic Insurance Broker and Consultant duly qualified in the State of California, whose principal place of business 3697 Mt. Diablo Blvd, Suite 100, Lafayette, CA 94549, hereinafter the “Contractor,” and together, the “Parties” (“the Agreement”).

WHEREAS, the Agreement included professional consulting services for expert guidance on benefits administration, retirement systems, and HR policies that is a part of LAFCO's transition plan for operational independence; and

WHEREAS, Alameda LAFCO desires to expand the scope of work to include includes HR policy development, and coordination with payroll and benefit providers, which will necessitate increasing the not-to-exceed amount of the Agreement to fund the additional phase of the work; and

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

Said Agreement is hereby amended as follows:

1. Contractor shall proceed with implementing the following:
  - A. Draft LAFCO-specific personnel policies covering:
    - Employee classification
    - Compensation and salary structure
    - Leave policies (vacation, sick leave, FMLA)
    - Performance evaluations and disciplinary procedures
  - B. Ensure compliance with California labor laws, PEPRA, and public sector employment regulations.
  - C. Implementation Strategy
    - Develop a phased transition plan for integrating new benefit and HR systems.
    - Provide guidance on employee enrollment and transition logistics.
    - Assist in coordinating with benefit providers and payroll services to ensure seamless implementation.
2. Increase the contract amount by \$10,000 for a total contract not-to-exceed amount of \$12,000.

This amendment is effective September 11, 2025. Except as specifically amended, the remaining provisions of the Agreement remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this amendment.

Alameda LAFCO

Contractor  
Bill Lavis

By: \_\_\_\_\_  
Rachel Jones, LAFCO Executive Officer

By: \_\_\_\_\_  
Bill Lavis

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM

Address:

\_\_\_\_\_  
Andrew Massey, LAFCO Legal Counsel

3697 Mt. Diablo Blvd, Suite 100  
Lafayette, CA 94549

Taxpayer ID#:

P.O./Contract # \_\_\_\_\_

**ALAMEDA LAFCO, ALAMEDA COUNTY, STATE OF CALIFORNIA  
STANDARD AGREEMENT**

THIS AGREEMENT, made and entered into this 11th day of July, 2025 by and between the ALAMEDA LOCAL AGENCY FORMATION COMMISSION, a public agency of the State of California, hereafter called the "Alameda LAFCO", and EPIC Insurance Broker and Consultant ("Contractor"), a business duly qualified in the State of California, whose principal place of business 3697 Mt. Diablo Blvd, Suite 100, Lafayette, CA 94549 is hereafter called the "Contractor."

**WITNESSETH**

WHEREAS, the Alameda LAFCO desires to obtain professional services from the Contractor related to the providing expert guidance on benefits administration, retirement systems, and HR policies. Our scope includes, but is as described in Exhibit A attached hereto ("Services"); and

WHEREAS, Contractor is professionally qualified to provide such services; and

WHEREAS, the Alameda LAFCO desires to retain and employ the services of Contractor in connection with such work, and Contractor is agreeable with such employment.

NOW, THEREFORE, it is agreed that the Alameda LAFCO does hereby retain and employ Contractor to provide the Services in connection with such work, and Contractor accepts such employment, on the terms and conditions hereinafter specified in this Agreement and additional provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Scope of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements

CONTRACT PERIOD will be a continuance from July 11, 2025 through December 31, 2025. This Agreement may be extended by mutual agreement of both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

COMPENSATION: The Alameda LAFCO agrees to pay Contractor, pursuant to the terms set forth in Exhibit B, for services performed hereunder in a total amount not to exceed \$2,000 for the term of the current agreement, including all expenses, contingencies, and other miscellaneous expenses.


ADDITIONAL PROVISIONS, pages 3 through 11, attached hereto constitute a part of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ALAMEDA LAFCO

CONTRACTOR

By:



Rachel Jones  
LAFCO EXECUTIVE OFFICER



CONTRACTOR

By:



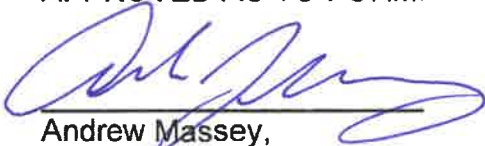
Title

3697 Mt. Diablo Blvd., Suite 100  
Lafayette, CA 94549

Address

Tax Payer I.D. # 94-3195221

APPROVED AS TO FORM:



Andrew Massey,  
LAFCO LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCO was duly authorized to execute this document on behalf of the Alameda LAFCO by its Small Contracting Authority Policy on July 11, 2025.

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Alameda LAFCO  
County of Alameda  
State of California

By: \_\_\_\_\_

## ADDITIONAL PROVISIONS

1. **EMPLOYER/EMPLOYEE RELATIONSHIP:** No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent Contractor; that Contractor shall not have any claim under this Agreement or otherwise against the Alameda LAFCO for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind; that Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including, but not limited to, Federal and State income taxes, and in connection therewith Contractor shall indemnify and hold the Alameda LAFCO harmless from any and all liability which the Alameda LAFCO may incur because of Contractor's failure to pay such taxes; that Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of the Alameda LAFCO is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the agency concerned. Notwithstanding the foregoing, if the Alameda LAFCO determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, the Alameda LAFCO shall, upon two weeks notice to Contractor withhold from the payments to Contractor hereunder federal and state income taxes and pay said sums over to the Federal and State governments.
2. **HOLD HARMLESS/INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify Alameda LAFCO, its Commissioners, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. Alameda LAFCO may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to Alameda LAFCO, including defense costs, and shall not be limited by any insurance limits.
3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with Alameda LAFCO maintain in force those insurance policies as designated in the attached Exhibit C, "Insurance Requirements," and will comply with all those requirements as stated herein.
4. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from the Alameda LAFCO any costs, settlements, or expenses of Workers' Compensation claims arising out of this agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
  - A. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services or any part hereof, including all provisions of the Occupational Safety and Health Act of 1979 and all amendments thereto, and

all applicable federal, state, municipal, and local safety regulations. All services performed by Contractor must be in accordance with these laws, ordinances, codes and regulations. Contractor shall indemnify and hold Alameda LAFCO harmless from any and all liability, fines, penalties and consequences from any noncompliance or violations of such laws, ordinances, codes and regulations. If a provision of this Agreement is found to be invalid, the parties legally, commercially, and practicably can continue this Agreement without that provision, and the remainder of this Agreement shall continue in force and effect unless an essential purpose of this Agreement would be defeated by the loss of such provision. In the event any of the terms, conditions, or provisions of this Agreement are held to be illegal or otherwise unenforceable, such term, condition or provision shall be deemed severable from the remainder of this Agreement and shall not cause any other part or provision of this Agreement to be illegal or unenforceable.

- B. Accidents: If death, serious personal injury or substantial property damage occurs in connection with the performance of this agreement, Contractor shall immediately notify Alameda LAFCO by telephone. Contractor shall promptly submit to Alameda LAFCO a written report, in such form as may be required by Alameda LAFCO of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's subcontractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of accident and whether any of LAFCO's equipment, tools, material, or staff were involved. Contractor further agrees that it shall take all reasonable steps to preserve all physical evidence and information which may be relevant to accidents or circumstances surrounding a potential claim, while maintaining public safety. Contractor shall provide Alameda LAFCO the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: Payment to Contractor will be made only upon presentation of proper invoice by Contractor subject to the approval of Alameda LAFCO, and in accordance with this Agreement and its Exhibit B.
7. ROYALTIES AND INVENTIONS: The Alameda LAFCO shall have a royalty-free, exclusive and irrevocable license to reproduce, publish and use the results produced in the course of or under this Agreement; and Contractor shall not publish any such material relating to Alameda LAFCO without prior consent of Alameda LAFCO.
8. CONFIDENTIALITY OF INFORMATION: Confidential information is defined as all information disclosed to Contractor which relates to Alameda LAFCO's past, present, and future activities, as well as activities under this Agreement. Contractor will hold all such information with the same degree of care which Contractor utilizes to protect its own data of a similar nature. Upon cancellation or expiration of this Agreement, Contractor will return to Alameda LAFCO all written or descriptive matter which contains any such confidential information.
9. CONFLICT OF INTEREST: No officer, member, or employee of Alameda LAFCO and no member of its governing body shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No Contractor, nor any member of Contractor's family shall serve on the Alameda LAFCO, or hold any such position which either by rule, practice or action nominates, recommends, or supervises Contractor's operations, or authorizes funding to Contractor. Contractor shall immediately bring to Alameda LAFCO's attention any situation in which its client has, or is reasonably likely to have an application or other matter pending before Alameda LAFCO. The

provisions of this Agreement are not exclusive, and thus Alameda LAFCo may at its discretion appoint a different firm to serve as its consultant in the event of a conflict. Contractor agrees not to assign any of the key personnel identified in Exhibit A to any matter that is, or is likely to be pending before Alameda LAFCo regardless of whether Alameda LAFCo in its discretion decides to hire another firm to avoid a conflict.

10. **USE OF ALAMEDA LAFCo PROPERTY:** Contractor shall not use Alameda LAFCo premises or property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
11. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES/PROVISIONS:** Contractor assures that it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
  - A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - B. Contractor shall, if requested to so do by Alameda LAFCo, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
  - C. If requested to do so by Alameda LAFCo, Contractor shall provide Alameda LAFCo with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
  - D. Contractor shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
  - E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - F. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.
12. **ASSIGNMENT OF CONTRACT:** Nothing contained in this Agreement shall be construed to permit assignment or transfer by Contractor of any rights under this Agreement and such assignment or transfer is expressly prohibited and void unless otherwise approved in writing by Alameda LAFCo.
13. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with Alameda LAFCo's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any LAFCo facility or work site. If Contractor or any employee of Contractor is convicted or pleads

nolo contendere to a criminal drug statute violation occurring at an Alameda LAFCO facility or work site, the Contractor within five days thereafter shall notify the Executive Officer of Alameda LAFCO. Violation of this provision shall constitute a material breach of this Agreement.

14. **FEDERAL AND STATE AUDITS:** Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Contractor shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, this Agreement, and such books, documents, and records of Contractor that are necessary to certify the nature and extent of the reasonable cost of services to Alameda LAFCO. If Contractor enters into any Agreement with any related organization to provide services pursuant to this Agreement with value or cost of \$10,000 or more over a twelve-month period, such Agreement shall contain a clause to the effect that until the expiration of five years after the furnishing of services pursuant to such subcontract, the related organization shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph shall be of no force and effect when and if it is not required by law. Alameda LAFCO shall have access to Contractor's financial records for purposes of auditing payments made to Contractor hereunder. Such records shall be complete and available for audit ninety (90) days after final payment is made to Contractor hereunder and shall be retained and available for audit purposes for five (5) years after said final payment hereunder.
15. **TIME IS OF THE ESSENCE** in each and all of the provisions of this agreement.
16. **AMENDMENT:** No change, alteration, variation, modification of the terms, termination or discharge of this Agreement shall be valid unless made in writing and signed by the parties hereto.
17. **ASSURANCE OF PERFORMANCE:** If at any time Alameda LAFCO believes Contractor may not be adequately performing its obligations under this Agreement, that Contractor may fail to complete the Services as required by this Agreement, or has provided written notice of observed deficiencies in Contractor's performance, Alameda LAFCO may request from Contractor prompt written assurances of performance and a written plan to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of receipt of Alameda LAFCO's written request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, to diligently commence and fully perform such written plan, is a material breach under this Agreement.
18. **KEY PERSONNEL:** Contractor shall identify himself as key personnel assigned to perform services in Exhibit A and obtain Alameda LAFCO approval of any substitution by the Contractor of key personnel.
19. **SUBCONTRACTORS:** Contractor shall identify and obtain Alameda LAFCO approval of all subcontractors. Nothing provided herein shall create any obligation on the part of Alameda LAFCO to pay or to see to the payment by Contractor of any monies to any subcontractor, supplier or vendor, nor create any relationship in contract or otherwise, express or implied between any such subcontractor, supplier or vendor and Alameda LAFCO. Approval by Alameda LAFCO of any subcontractor shall not constitute a waiver of any right of Alameda LAFCO to reject defective work, material or equipment, not in compliance with the requirements of this Agreement.



20. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws, and its courts shall have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this Agreement.
21. **WAIVER:** Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, under this Agreement or any provisions of this Agreement.
22. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire Agreement between Alameda LAFCO and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
23. **TERMINATION:** Alameda LAFCO may terminate this Agreement with or without cause by providing thirty (30) days notice, in writing, to the Contractor. Upon the expiration of said notice, this Agreement shall become of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged here from. Alameda LAFCO may terminate at any time without notice upon material breach of the terms of this Agreement and/or in the event that Alameda LAFCO determines that the Contractor's performance is substandard or unsatisfactory.
24. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Hold Harmless/Indemnification (paragraph 2), Confidentiality of Information (paragraph 9), and Conflict of Interest (paragraph 10), shall survive termination or expiration.
25. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
  - **Personal delivery:** When personally delivered to the recipient, notices are effective on delivery.
  - **First Class Mail:** When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
  - **Certified Mail:** When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
  - **Overnight Delivery:** When delivered by overnight delivery (Federal Express/United Parcel Service/DHL WorldWide Express/etc.) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
  - **Telex or facsimile transmission:** When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given

by telex or fax shall be deemed received on the next business day if is received after 5:00 p.m. (recipients time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To LAFCO:                      Alameda LAFCO  
   224 West Winton, Suite 110  
   Hayward, CA 94544

To Contractor:                Epic Insurance Brokers & Consultants  
   3697 Mt. Diablo Blvd., Suite 100  
   Lafayette, CA 94549

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

[END OF ADDITIONAL PROVISIONS]

## **EXHIBIT A - SCOPE OF SERVICES**

Epic Brokers will be responsible for providing expert guidance on benefits administration, retirement systems, and HR policies. Our scope includes, but is not limited to:

### **1. Retirement Plan Analysis**

- Evaluating ACERA and CalPERS retirement system options, including cost projections, employer contribution requirements, and employee benefits.
- Assessing the feasibility of alternative defined benefit or defined contribution plans.
- Providing a recommendation on which system based on cost, sustainability, and employee impact.

### **2. Health and Welfare Benefits Review**

- Comparing County HR, CalPERS, and SDRMA health plan options.
- Assessing medical, dental, vision, life insurance, and disability coverage plans.
- Recommending an optimal benefits administration approach that balances cost-effectiveness and employee needs.

### **3. Implementation Strategy**

- Develop a phased transition plan for integrating new benefits and HR systems.
- Provide guidance on employee enrollment and transition logistics.
- Assist in coordinating with benefit providers and payroll services to ensure seamless implementation.

### **4. Contractor will present recommendations on benefit plans to the Commission.**

**EXHIBIT B – CONTRACT PAYMENT TERMS**

The Alameda LAFCO will pay Contractor for services provided herein, upon submittal of an invoice and summary report of services performed pursuant to this agreement. All services will be performed at the direction of, and with the prior authorization of, the LAFCO Executive Officer. Invoices will be approved by the Alameda LAFCO Executive Officer. Payments under the terms of this Agreement shall not exceed \$2,000. This amount includes all administrative expenses and costs, travel expenses and contingencies.

1. Payments under the terms of this Agreement shall not exceed \$2,000.
3. The term of this Agreement is July 11, 2025 to December 31, 2025.

### EXHIBIT C - MINIMUM INSURANCE REQUIREMENTS

Without limiting any other obligation or liability under this Agreement, the Contractor, at its sole cost and expense, shall secure and keep in force during the entire term of the Agreement or longer, as may be specified below, the following minimum insurance coverage, limits and endorsements:

TYPE OF INSURANCE COVERAGES		MINIMUM LIMITS
<b>A</b>	<b>Commercial General Liability</b> Premises Liability; Products and Completed Operations; Contractual Liability; Personal Injury and Advertising Liability	\$1,000,000 per occurrence (CSL) Bodily Injury and Property Damage
<b>B</b>	<b>Commercial or Business Automobile Liability</b> All owned vehicles, hired or leased vehicles, non-owned, borrowed and permissive uses. Personal Automobile Liability is acceptable for individual contractors with no transportation or hauling related	\$1,000,000 per occurrence (CSL) Any Auto Bodily Injury and Property Damage
<b>C</b>	<b>Workers' Compensation (WC) and Employers Liability (EL)</b> Required for all contractors with employees	WC: Statutory Limits EL: \$1,000,000 per accident for bodily injury or disease
<b>D</b>	<b><u>Endorsements and Conditions:</u></b> <ol style="list-style-type: none"> <li><b>ADDITIONAL INSURED:</b> All insurance required above with the exception of Commercial or Business Automobile Liability, Workers' Compensation and Employers Liability, shall be endorsed to name as additional insured: the Alameda Local Agency Formation Commission (LAFCO), the individual members thereof, and all Alameda LAFCO officers, agents, employees, volunteers, and representatives. The Additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>DURATION OF COVERAGE:</b> All required insurance shall be maintained during the entire term of the Agreement. In addition, Insurance policies and coverage(s) written on a claims-made basis shall be maintained during the entire term of the Agreement and until 3 years following the later of termination of the Agreement and acceptance of all work provided under the Agreement, with the retroactive date of said insurance (as may be applicable) concurrent with the commencement of activities pursuant to this Agreement.</li> <li><b>REDUCTION OR LIMIT OF OBLIGATION:</b> All insurance policies, including excess and umbrella insurance policies, shall include an endorsement and be primary and non-contributory and will not seek contribution from any other insurance (or self-insurance) available to Alameda LAFCO. The primary and non-contributory endorsement shall be at least as broad as ISO Form 20 01 04 13. Pursuant to the provisions of this Agreement insurance effected or procured by the Contractor shall not reduce or limit Contractor's contractual obligation to indemnify and defend the Indemnified Parties.</li> <li><b>INSURER FINANCIAL RATING:</b> Insurance shall be maintained through an insurer with a A.M. Best Rating of no less than A:VII or equivalent, shall be admitted to the State of California unless otherwise waived by Risk Management, and with deductible amounts acceptable to Alameda LAFCO. Acceptance of Contractor's insurance by Alameda LAFCO shall not relieve or decrease the liability of Contractor hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor.</li> <li><b>SUBCONTRACTORS:</b> Contractor shall include all subcontractors as an insured (covered party) under its policies or shall verify that the subcontractor, under its own policies and endorsements, has complied with the insurance requirements in this Agreement, including this Exhibit. The additional Insured endorsement shall be at least as broad as ISO Form Number CG 20 38 04 13.</li> <li><b>JOINT VENTURES:</b> If Contractor is an association, partnership or other joint business venture, required insurance shall be provided by one of the following methods: <ul style="list-style-type: none"> <li>Separate insurance policies issued for each individual entity, with each entity included as a "Named Insured" (covered party), or at minimum named as an "Additional Insured" on the other's policies. Coverage shall be at least as broad as in the ISO Forms named above.</li> <li>Joint insurance program with the association, partnership or other joint business venture included as a "Named Insured".</li> </ul> </li> <li><b>CANCELLATION OF INSURANCE:</b> All insurance shall be required to provide thirty (30) days advance written notice to Alameda LAFCO of cancellation.</li> <li><b>CERTIFICATE OF INSURANCE:</b> Before commencing operations under this Agreement, Contractor shall provide Certificate(s) of Insurance and applicable insurance endorsements, in form and satisfactory to Alameda LAFCO, evidencing that all required insurance coverage is in effect. Alameda LAFCO reserves the rights to require the Contractor to provide complete, certified copies of all required insurance policies. The required certificate(s) and endorsements must be sent as set forth in the Notices provision.</li> </ol>	





# LAFCO

*Alameda* Local Agency Formation Commission

## AGENDA REPORT

September 11, 2025

Item No. 5

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** Castlewood County Service Area (CCSA) |  
Governance Study and Contribution Request for Phase II

The Alameda Local Agency Formation Commission (LAFCO) will receive a presentation from representatives of the Castlewood County Service Area (CCSA) regarding the findings of an *Existing Conditions Report* prepared by Berkson Associates. The report evaluates the governance, service delivery, and financial condition of the district and identifies potential alternative governance structures, including annexation to the City of Pleasanton. As part of this item, CCSA representatives are requesting that LAFCO consider contributing funding toward the next phase of study, which would focus on feasibility and fiscal impacts of annexation. Staff is presenting the report to provide context, outline the request, and seek Commission direction on whether to allocate funds toward the proposed Phase II analysis.

### Background

The Castlewood County Service Area (CCSA) was established in 1968 to provide road services and later expanded in 1979 to include water and sewer service delivery. The district encompasses 587 acres in unincorporated Alameda County, with a population of approximately 638 residents and 242 residential units. The area also includes two 18-hole golf courses and the Castlewood Country Club.

Concerns about escalating costs, financial sustainability, and infrastructure needs led Castlewood residents, through their Property Owners Association, to commission Berkson Associates to prepare an *Existing Conditions Report* (dated June 2, 2025). The report describes the CSA's governance, operations, service delivery, and finances, and sets the foundation for examining alternative governance structures, including annexation to the City of Pleasanton.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

## Discussion

### Governance Options

As outlined in the *Existing Conditions Report*, the community is exploring three governance options:

- 1. Status Quo:** Retain the existing CSA structure under the Alameda County Board of Supervisors
- 2. Formation of a Community Services District (CSD):** Establish a locally governed, independent district.
- 3. Annexation to the City of Pleasanton:** Transition water, sewer, road, and related services to Pleasanton, with accompanying tax exchange negotiations between the City and County.

The annexation option would require further financial, legal, and service-level analysis to determine fiscal impacts, infrastructure responsibilities, and potential community benefits.

### Funding Request

Representatives of Castlewood CSA appear before the Commission on September 11, 2025, to present the findings of the *Existing Conditions Report* and to discuss next steps. Specifically, the representatives request that Alameda LAFCO contribute **approximately \$10,000** toward the cost of the second phase of the study.

Phase II would examine in greater detail the feasibility and fiscal impacts of annexation into the City of Pleasanton, including:

- Analysis of long-term service costs and revenue streams;
- Assessment of infrastructure liabilities (water, sewer, and roads);
- Identification of governance transition issues and timelines; and
- Preparation of materials to support potential LAFCO reorganization proceedings.

### Alternatives for Action

The following alternatives are available to the Commission:

#### Alternative One (Recommended):

Staff recommends that the Commission receive the CCSA presentation and provide direction regarding whether to allocate funds toward the requested Phase II study. Should the Commission wish to proceed, staff will return at a future meeting with a funding agreement and scope of work for approval.

#### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.



Alternative Three:

Deny further discussions.

**Recommendation**

It is recommended the Commission proceed with Alternative Action One.

**Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the business calendar. The following procedures are recommended in consideration of this item:

1. Receive verbal presentation from staff unless waived.
2. Invite any comments from the public.
3. Provide feedback on the item as needed.

Respectfully,

A handwritten signature in blue ink, appearing to read "Rachel Jones", with a stylized flourish extending to the right.

Rachel Jones  
Executive Officer

Attachment:

1. *Castlewood CSA Existing Conditions Report* (June 2, 2025)

.

**Blank for Photocopying**



## REPORT

# SPECIAL STUDY OF GOVERNANCE OPTIONS EXISTING CONDITIONS REPORT CASTLEWOOD COUNTY SERVICE AREA

Prepared by

**Berkson Associates**

Prepared for

**Castlewood Property Owners Association**

June 2, 2025

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## 1. Overview

Residents of the Castlewood community concerned about the cost and provision of public services by Castlewood Community Services Areas (CCSA) commissioned the current report. This report provides information to support discussion of governance options that could improve public services to Castlewood.

The report describes current CCSA services, facilities, infrastructure and other aspects of governance including operations and finances. If the community moves forward with a change of governance, this information and additional analysis will be considered by the County, other affected public agencies which could include the City of Pleasanton, and by the Alameda Local Agency Formation Commission (LAFCO) who will process a reorganization application.

### About the Castlewood CSA

A Community Services Area (CSA) is a dependent special district.<sup>1</sup> The Alameda County Board of Supervisors serve as the CSA board and oversee County staff in the management and operation of the district.

The Castlewood CSA (CCSA) was formed on September 17, 1968, to provide for the improvement, maintenance and drainage of the private roads in the Castlewood unincorporated area adjacent to the City of Pleasanton. In May 1979, the scope of CCSA services was extended to include provision of sewer and water services.

**Map 1** shows the boundaries of the district, which cover 587 acres. The area is unincorporated and within the Sphere of Influence (SOI) of the City of Pleasanton. An SOI is an area of potential future expansion as determined and approved by LAFCO.

### Population and Land Use

The CCSA boundary encompasses 587 acres serving a population of 638 residents.<sup>2</sup> Two 18-hole golf courses and a country club are also within the CCSA.

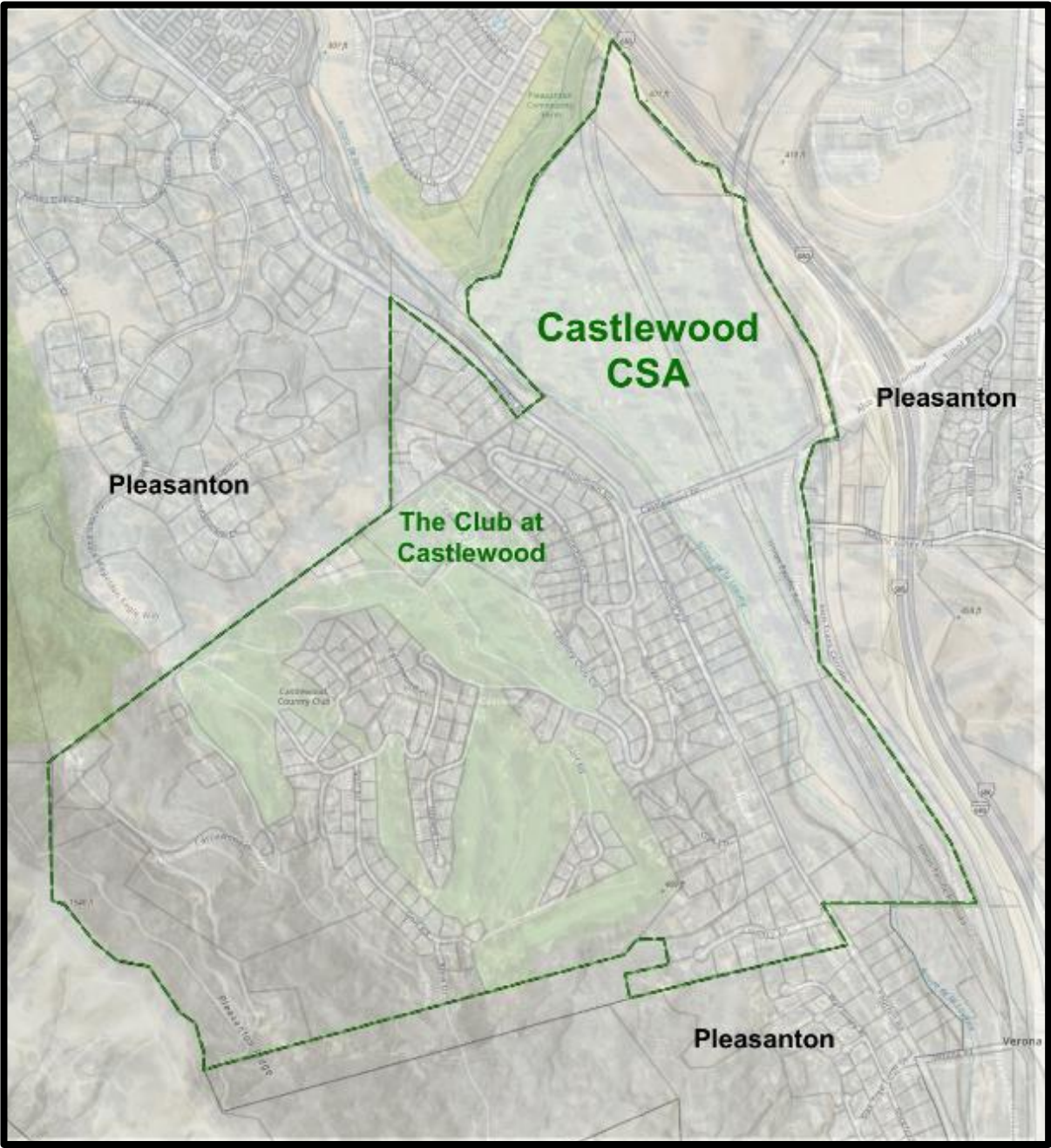
Within the CSA are 242 residential units.<sup>3</sup> The number of residential units benefitting from road, sewer, or water services varies depending on unit location, availability of more proximate service providers or infrastructure, and in some cases homeowner provision of service (e.g., maintenance of access roads).

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<sup>1</sup> Gov. Code Sec. 25210-25217.4 “County Service Area Law”.

<sup>2</sup> Municipal Service Review and Sphere of Influence Reviews. Alameda County Special Districts and County Service Areas. Alameda Local Agency Formation Commission (LAFCO). Final Commission Report, October 11, 2024. (2024 CSA MSR).

Map 1 Castlewood CSA<sup>4</sup>



<sup>4</sup> Source: LAFCO map viewer; Google maps; Berkson Associates.



## 2. Overview of Services, Facilities & Infrastructure

CCSA is responsible for the operation and maintenance of water, sewer, and roads in Castlewood.

Services are provided by CCSA through agreements with various public agencies and contracts with private firms. The County of Alameda's Dept. of Public Works staff manage and administer the affairs of CCSA.

Castlewood, as an unincorporated community, receives other public services provided by the County of Alameda, including sheriff protection and animal control, fire protection, library, planning and building, public works, and flood control (Zone 7 Water Agency).

Other public agencies provide services to the community e.g., school districts and community college, mosquito abatement and East Bay Regional Park.

**Table 1 Summary of Current Facilities, Services & Providers**

Service	Facilities and Infrastructure	Current Provider	Comments
<b><u>Sewer</u></b>			
Collection <sup>1</sup>	5.3 mi. gravity sewer pipeline; 0.8 mi. force mains	Bracewell Engineering contract with CSA	Major system replacements and repairs were completed in 1997. <sup>2</sup>
Transport	Foothill pump station and pipeline to W. Pleasanton Interceptor	Maintained by City of Pleasanton under contract to CCSA	
Treatment & Disposal	DSRSD Treatment Plant	Dublin-San Ramon Services District (DSRSD)	CCSA purchased DSRSD treatment plant capacity of 92,000 GPD from City of Pleasanton.
<b><u>Water</u></b>			
Supply	SFPUC owns and operates Castlewood Wells which pump groundwater from Livermore Valley Basin. <sup>3</sup>	SFPUC pumps, disinfects, monitors water quality, and distributes about 0.3 MGD to CCSA reservoir and tanks.	CCSA receives up to 90 Mill. Gal. (MGD)/year at no cost. Water is shared between residents (46.8 MGD, or 330 units of water) and Club House (43.2 MGD). Overage is charged at \$10.55 per unit of water (a unit is approx. 247,000 gallons).
Storage & Distribution	2 steel storage tanks (constructed 2023) & reservoir; 32,000 ft. of water lines	System is maintained by CCSA contract with private firm (Bracewell).	Wooden tanks replaced w/steel tank using loan from 2020 DWSRF \$3 mill. Residential distribution system is separate from golf course irrigation.
<b><u>Roads</u></b>			
Roads & Drainage	Approximately 6.1 miles of roadway	Alameda Cnty Public Works Agency	Excludes approximately one mile of privately maintained roads.
<b><u>Other Services</u></b>			
Police	Eden Township Station	Alameda Cnty Sheriff	CHP provides traffic enforcement.
Fire	LPFD Station #4 at 1600 Oak Vista Way in Pleasanton	Livermore-Pleasanton Fire Department per agreement with Alameda Cnty Fire Dept.	
Library	Dublin Public Library\	Ala. Cnty Library System	
Planning & Building	County offices located in Hayward	Ala. Cnty Community Development Agency, Public Works Agency	
Public Works	County offices located in Hayward	Alameda Cnty Public Works Agency	See also Sewer, Water, Roads and Drainage, above. ACPWA also provides engineering, admin., finance & legal services to CCSA.
CC&R Enforcement	na	Castlewood Property Owners Association	

<sup>1</sup> Sanitary Sewer Management Plan, 2023.

<sup>2</sup> CCSA Annual Report, FY2023-24.

<sup>3</sup> SFPUC Urban Water Management Plan (UWMP, 2020).

### 3. Administration & Engineering

ACPWA staff provide several administration and engineering tasks:

- Management of capital improvements (bid and contract oversight, design and applicable law)
- Regulatory reporting and compliance
- Records maintenance (CSA records, maps databases and files)
- Finance (budgets, accounting and financial reporting)
- Routine and emergency services
- Contract Management
- Public outreach (surveys, response to public inquiries)
- Legal services
- Coordination with other County departments (BOS, planning, Counsel, Assessor, Auditor) and public agencies (City of Pleasanton, SFPUC, state regulatory agencies)

The CCSA budget tracks administrative and overhead costs in its General Fund. Services specific to sewer, water and roads are assumed to be allocated to their respective funds.

**Table 2** summarizes multiple years of revenues and expenditures in the General Fund. The summary is based on data derived from unaudited County invoices and reports.<sup>5</sup>

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<sup>5</sup> Data from CPOA file: "FY20-24 REVEXP Combined - 5.17.24, tab "Pivot"; FY24 and FY25 from FY26 Annual Report

**Table 2 Summary of CCSA General Fund**

Item	Fiscal Year				
	FY2020-21	FY2021-22	FY2022-23	FY2023-24(5)	estimated FY2024-25(6)
<b>Revenues (1)</b>					
Property Taxes	87,506	59,153	64,405	69,095	63,284
Other Revenues (2)	<u>0</u>	<u>16,766</u>	<u>23,382</u>	<u>9,489</u>	<u>15,300</u>
<b>Total Revenues</b>	<b>87,506</b>	<b>75,919</b>	<b>87,787</b>	<b>78,584</b>	<b>78,584</b>
<b>Expenditures (1)</b>					
Salaries & Wages	14,343	62,465	144,331	96,456	30,000
Transportation	-	1,032	4,235	-	-
Prof'l Services - Admin., Fin'l, Audit (4)	9,843	25,651	62,138	56,972	16,000
Legal (County Counsel)	6,295	11,410	29,047	46,060	100,000
Other Expenditures (3)	<u>468</u>	<u>428</u>	<u>447</u>	<u>3,727</u>	<u>762</u>
<b>Total Expenditures</b>	<b>30,949</b>	<b>100,986</b>	<b>240,198</b>	<b>203,215</b>	<b>146,762</b>
<b>Net GF Operations</b>	<b>56,557</b>	<b>(25,067)</b>	<b>(152,411)</b>	<b>(124,631)</b>	<b>(68,178)</b>

Source: Data provided by CPOA derived from unaudited invoices and reports from County.

(1) Revenues and expenditures from County ledger data (see CPOA file: "FY20-24 REVEXP Combined - 5.17.24). shown in "Other Sources (Uses)".

(2) "Other Revenues" include interest on investments & State subventions (Home Owners Property Tax Relief). Castlewood FY22 Financial Statements report "Investments" which include losses of investment value.

(3) "Other Expenditures" include Communications Internal Services Fund (ISF), notices, blueprints, print supplies.

(4) Includes applied overhead.

(5) See CCSA Annual Report FY26, Table 5 Actual Revenue and Expenditures FY24.

(6) See CCSA Annual Report FY26, Table 6 Estimated Revenue and Expenditures FY25.

## General Fund Expenditures

Significant increases in salaries, professional services (administration, applied overhead, financial and audit), and legal fees resulted in CCSA General Fund operating shortfalls beginning in FY2021-22.

Administrative, financial and legal costs are not allocated to the road, sewer or water operations, and therefore are not funded by charges for those services. Applied overhead is distributed among several funds.

## General Fund Revenues

Property taxes are the primary funding source for administrative and overhead costs reported in the General Fund.

Interest earnings are a significant revenue source in certain years depending on prevailing interest rates and fund balances. The interest on balances in other funds appears to be allocated entirely to the General Fund.

## 4. Sewer M&O and Capital Improvements

### Collection System

The CCSA sewer system consists of “5.3 miles of gravity sewer pipeline segments, 116 manholes and cleanouts, 0.8 miles of force mains, and one pump station.”<sup>6</sup> Property owners are responsible for laterals from their residence to the property line.

The sewer system serves approximately 215 residential units and a single commercial service connection from the Castlewood Country Club discharging an equivalent of 41 residential units of sewage.<sup>7</sup> A small number of lots are on septic systems.<sup>8</sup>

### Sewer Treatment

All wastewater is conveyed to the Dublin-San Ramon Services District (DSRSD) for ultimate treatment and disposal through the West Pleasanton Interceptor sewer.

CCSA purchased treatment capacity for 308 RDEs, of which 247 RDEs have been purchased and connected. Nine of the remaining 61 RDEs have been purchased but not connected; the unpurchased 52 RDEs represent capacity available for purchase.<sup>9</sup>

Services provided by the CCSA (ACPWA) include routine maintenance of the sewerage pump station, emergency sewerage system repairs, field inspections, monitoring sewerage capacity and related sewerage system data.<sup>10</sup>

The City of Pleasanton maintains the pump station under contract with the CSA.

Maintenance of the rest of the sewerage system is contracted to Bracewell Engineering.<sup>11</sup>

### Sanitary Sewer Overflows (SSOs)

No SSOs were reported from 2020 through 2025.<sup>12</sup>

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<sup>6</sup> Sanitary Sewer Management Plan (SSMP), Castlewood County Service Area R-1967-1. Alameda County Public Works Agency in consultation with Causey Consulting. May 2023.

<sup>7</sup> 2023 Sewer Management Plan.

<sup>8</sup> The 2012 CCSA MSR noted five septic systems.

<sup>9</sup> Annual Report, Fiscal Year 2023-2024, Castlewood County Service Area, 5/2/2023. (FY24 CCSD Annual Report)

<sup>10</sup> FY24 CCSD Annual Report.

<sup>11</sup> County of Alameda Standard Services Agreement, Procurement Contract No. 26793, July 1, 2024 – June 30, 2029.

<sup>12</sup> Spill Public Report, State Water Resources Control Board, 1/1/2020 – 3/1/2025. See: “Castlewood CS”  
[https://www.waterboards.ca.gov/water\\_issues/programs/ciwqs/publicreports.html#sso](https://www.waterboards.ca.gov/water_issues/programs/ciwqs/publicreports.html#sso)

## Sewer M&O Expenditures

**Table 3** shows projected costs that were the basis for FY2024-25 charges.<sup>13</sup>

**Table 3 Summary of Sewer M&O Costs as Basis for FY2024-25 Charges**

M&O Monthly Base Fee (Contract Price)	\$	28,510
Sewer related repairs	\$	36,000
Sewer Pump Station (City of Pleasanton)	\$	118,872
Utilities (Electric)	\$	5,250
SSMP Updates	\$	5,415
State Water Board Waste Discharge Annual Fee	\$	3,453
1.7% Collection Fee by the County Auditor	\$	3,064
5% Administration Charges	\$	9,011
Total	\$	\$209,575

## Sewer M&O Service Charges

Charges are based on annual costs to fund sewer maintenance and operations.

Annual sewer M&O service charges remained flat at \$675/RDE from 2014 through FY2023-24 then increased in FY2024-25 by \$110 to \$785. In FY2025-26 the sewer M&O charges total \$809 per RDE after the increase and will grow 3%/year thereafter.

A preliminary review of unaudited CCSA invoices indicates an approximate \$180,000 Sewer Maintenance Fund FY2023-24 ending fund balance.<sup>14</sup> The estimated ending fund balance does not include about \$50,000 of encumbrances which would reduce the unrestricted funds available by a corresponding amount.<sup>15</sup>

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<sup>13</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Service Charge Increase, April 2024.

<sup>14</sup> See CPOA file: "FY20-24 Combined – 5.17.24", tab "Pivot (2024)".

<sup>15</sup> ACPWA accounting deducts remaining contractual obligations applicable to future years as a deduction from the ending fund balance.

## Sewer Capital Improvements & Funding

The 2023 Sewer Management Plan<sup>16</sup> includes a Capital Improvement Program that proposes expenditures of \$100,000 annually from FY2022-23 through FY2026-27.

CCSA's sewer capital charges, remaining relatively constant at approximately \$1,100 per meter/connection, are deposited to the Water Capital Fund to pay for capital improvements. These charges generated about \$124,000 in FY24 which exceeds the \$100,000 annual CIP expenditure recommended in the 2023 Sewer Management Plan.

No expenditures are reported from FY2019-20 through FY2023-24 based on a review of invoices, and none are reported in engineer's reports and annual reports, enabling a fund balance to accumulate. A preliminary review of unaudited CCSA invoices indicates an ending balance of about \$1.2 mill. in the Sewer Capital Fund's FY2023-24 ending fund balance.<sup>17</sup> ACPWA's last audited financial reports were prepared for the fiscal year FY2021-22.<sup>18</sup> The document did not report individual fund balances.

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<sup>16</sup> Sanitary Sewer Management Plan, Castlewood County Service Area R-1967-1. Alameda County Public Works Agency in consultation with Causey Consulting. May 2023.

<sup>17</sup> See CPOA file: "FY20-24 Combined – 5.17.24", tab "Pivot (2024)".

<sup>18</sup> Financial Statements and Independent Auditor's Report, June 30, 2022. The Castlewood Fund. Alameda County Public Works Agency. Prepared by Grant & Smith, LLP, CPAs.

## 5. Water Maintenance & Operations (M&O) and Capital Improvements

### Water Source and Distribution

CCSA's sole source of water is from "the Pleasanton Well Fields owned by the San Francisco Public Utilities Commission (SFPUC)."<sup>19</sup> The State Dept. of Water Resources (DWR) "...has not identified this basin as over-drafted, nor is projected to be over-drafted in the future."<sup>20</sup>

Prior water rights, which originated "with an agreement between Phoebe Hearst and the Spring Valley Water Company"<sup>21</sup> in 1911<sup>22</sup> entitle CCSA to 90 MG per year at no cost.

Water flows to the Valley Reservoir near the Valley Golf Course; the City of Pleasanton, by contract with the CSA, "operates and maintains the Foothill Pump Station and the pipeline"<sup>23</sup> to CCSA and its reservoir. From the reservoir, water is delivered to CCSA users and pumped to steel storage tanks. Private wells serve a small number of lots.<sup>24</sup>

### Water Quality

The water supply is disinfected "via sodium hypochlorite injection. The SFPUC monitors water quality weekly."<sup>25</sup>

Recent annual water quality reports, required by the State and prepared by ACPWA and the CCSA contract water O&M provider, reported all water delivered to CCSA customers "...met all applicable federal and state drinking water standards without any violations."<sup>26</sup>

In November 2024 a "Boil Water Notice" was issued for Castlewood then rescinded two days later.<sup>27</sup> The incident was caused by PGE puncturing the main water line which triggered repairs and testing.<sup>28</sup>

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<sup>19</sup> 2012 CCSA Water & Sewer Assessment.

<sup>20</sup> 2020 SFPUC UWMP, p.6-7.

<sup>21</sup> Castlewood County Service Area Municipal Service Review Final. January 10, 2013. Prepared for the Local Agency Formation Commission of Alameda County. Baracco and Associates, Policy Consulting Associates, LLC. (2012 CCSA MSR).

<sup>22</sup> Castlewood County Service Area Water and Sewer Assessment. Prepared at the Request of Alameda County Public Works Agency. October 2012. Prepared by Pakpour Consulting Group and Psomas. (2012 Sewer & Water Assessment).

<sup>23</sup> FY24 Annual Report, 5/2/2023, recommending rates for FY2023-24.

<sup>24</sup> The 2012 CCSA MSR reported five wells.

<sup>25</sup> 2020 Urban Water Management Plan for the City and County of San Francisco, Public Review Draft, April 2021. Prepared by The San Francisco Public Utilities Commission.

<sup>26</sup> 2022 and 2023 Annual Water Quality Reports, Alameda County Public Works Agency and Coleman Engineering.

<sup>27</sup> Boil Water Notice for Castlewood Estates Water System CA015008, 11/13/2024. Accessed from CPOA website. Cancellation 11/15/2024.

<sup>28</sup> CPOA, May 14, 2025.



## Water System Leakage

County reports indicate leakage estimates ranging from 41 percent (2022) to 15 percent (2023).<sup>29</sup> The high leakage in 2022 can be attributed to effects of the old water tanks and subsequent replacement process. Individual residential water meters and overage charges have reduced water usage.<sup>30</sup>

In 2012 an assessment found potential “unaccounted for water” representing about 11 percent to 15 percent of water pumped and recommended further investigation into potential losses.<sup>31</sup> It is not known whether further investigations were conducted.

## Water M&O Expenditures

**Table 4** shows projected costs that were the basis for FY2024-25 charges.<sup>32</sup>

**Table 4 Summary of Water Costs as Basis for FY2024-25 Charges**

M&O Monthly Base Fee (Contract Price)	\$ 86,569
Meter Reading (Contract Price)	\$ 57,319
Reimbursable (Generator+)(Contract Price)	\$ 110,154
Water Related Repairs	\$ 264,000
Utilities (Electric)	\$ 71,496
State Water Board Drinking Water Systems Annual Fee	\$ 1,961
1.7% Collection Fee by the County Auditor	\$ 3,795
5% Administration Charges	\$ 11,162
Total	\$ 606,456

The projected costs resulted in a nearly 300 percent increase in water M&O charges compared to the prior year FY2023-24.

## Non-recurring Water M&O Expenditures

Non-recurring and unanticipated expenditures reduced fund balances and created a cumulative deficit requiring a County loan. An additional assessment was added to water M&O service charges to repay the loan (see **Water O&M Supplemental Charge**, below).

Future charges (notwithstanding the 10-year supplemental charge) were calculated based on costs shown in **Table 4** excluding extraordinary, non-recurring charges (plus an annual inflation adjustment for water and sewer O&M

<sup>29</sup> CPOA data from County (CPOA file: “County Summary Homeowner Usage PDF-Water use (2020-2023) 9.23.24-Downloaded 09.24.24”).

<sup>30</sup> CPOA 4/18/2025.

<sup>31</sup> 2012 CCSA Water & Sewer Assessment.

<sup>32</sup> Castlewood CSA R-1967-1 Engineer’s Report for Proposed Service Charge Increase, April 2024.

charges). The calculation of charges does not include a contingency for emergencies. No County policies regarding CSA reserves or fund balances were identified.

## Water M&O Service Charges

Service charges based on annual costs provide funding for water maintenance and operations. Total service charges increased significantly in recent years, primarily due to water operations and maintenance as noted above in the section **Non-recurring Water M&O Expenditures**.

Water M&O rates were \$1,089 per meter/connection for nine years through FY24,<sup>33</sup> increasing to \$2,958 in FY25 or nearly triple the prior year. The following year, FY26, charges are projected to increase to \$3,940 if the proposed supplemental charge for prior year fund balance deficits (see below) applies to a full year of FY26. The supplement is proceeding through the notice and hearing process.<sup>34</sup>

A number of factors contributed to water O&M costs exceeding revenues, a need for higher rates, and reductions in fund balances that triggered a County loan and supplemental assessment. Cost factors included:

1. Unforeseen leaks and pump failures during fiscal years FY2022-23 and FY2023-24, demanding immediate attention.<sup>35</sup>
2. Water system configuration and operation information missing, or system improperly configured, contributing to higher emergency repair costs.<sup>36</sup>
3. Multiple changes in O&M contract providers at increasing contract costs and additional charges.<sup>37</sup>
4. Water overage charges for usage exceeding CCSA's allocated 90MG annually due to excess use,<sup>38</sup> leakage, and possible impacts during water tank repair and testing.<sup>39</sup>

Prior years' rates did not anticipate or incorporate these costs, and did not provide reserves for contingencies and emergencies; consequently, ACWPA added a supplemental charge beginning in FY2025-26 to repay the County loan<sup>40</sup> for an accumulated fund balance deficit to that point.

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<sup>33</sup> Annual Report, Fiscal Year 2023-2024, Table 2.

<sup>34</sup> FY26 Annual Report, 5/6/2025, recommending rates for FY2025-26.

<sup>35</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025, pg. 5-6.

<sup>36</sup> Review of Five Years of Water Maintenance Invoices, CPOA Water Committee 3/20/2025.

<sup>37</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025, pg. 5-6.

<sup>38</sup> CCSA subsequently implemented charges for excess use by residents [date].

<sup>39</sup> Review of Five Years of Water Maintenance Invoices, CPOA Water Committee 3/20/2025.

<sup>40</sup> See ACPWA memorandum to BOS with attached resolution R-2024-484, Oct. 2, 2024.

Future years' rates were not increased to cover the higher annual costs in FY2023-24 (and the prior year) reported in the calculation of the supplemental charge (see below).<sup>41</sup> These rates presume that future costs are at FY2024-25 levels (plus 3 percent inflation) without the "non-recurring" costs that caused fund balance deficits.

### Water O&M Supplemental Charge

As a result of estimated Water Operations ending fund balance shortfalls, in April 2025 ACPWA proposed to add a "Supplemental Service Charge" of \$829.72 per RDE, leaving other rates as established the prior year.<sup>42</sup>

The supplemental charge repays over ten years a County loan<sup>43</sup> approved in Oct. 2024 to cover an estimated \$1.4 million ending fund balance shortfalls accumulated in FY2022-23 and FY2023-24.

The supplemental charge would bring total water M&O charges to approximately \$3,940 annually per meter/connection (if effective FY2025-26). The supplement is proceeding through the notice and hearing process.<sup>44</sup>

### Water Capital Improvements

CCSA recently replaced its old redwood tanks. The new tanks were funded by a loan from the State. When CCSA applied for the loan, costs were estimated at \$1.5 million. CCSA subsequently obtained a loan for \$3 million which was deposited to the Water Capital Fund.

Annual repayment began in 2023. Combined principal and interest payments are \$177,000 annually.

**Table 5** summarizes planned improvements. ACPWA met with Castlewood representatives in 2023 and discussed options for funding the improvements. To date, no action has been taken. The CCSA's FY26 Annual Report also indicated a need to "replace the roof at one of the of the water pump stations" but no costs were provided.<sup>45</sup>

The 2012 Water and Sewer Assessment recommended CSA budgeting for water main replacement "...starting at 40 years in the event emergency repairs need to occur."<sup>46</sup> Approximately 90 percent of the system was replaced in 1996 and has a lifespan of about 100 years.<sup>47</sup>

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<sup>41</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025, Table 2.

<sup>42</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025.

<sup>43</sup> See ACPWA memorandum to BOS with attached resolution R-2024-484, Oct. 2, 2024.

<sup>44</sup> FY26 Annual Report, 5/6/2025, recommending rates for FY2025-26.

<sup>45</sup> FY26 Annual Report, 5/6/2025, recommending rates for FY2025-26.

<sup>46</sup> 2012 CCSA Water & Sewer Assessment.

<sup>47</sup> 2012 CCSA Water & Sewer Assessment.

**Table 5 Water System Improvement Costs**

Item	One-Time Capital Cost	Annualized	Comments
<b>Water System</b>			
Meter Automation	384,000		
SCADA	150,000		
Permanent Generators	946,000		
Emergency Interconnect	<u>600,000</u>		
<b>Subtotal, Water System</b>	<b>\$2,080,000</b>	Annualized cost depends on financing method & terms	
<b>Long-term:</b>			
Water Main Replacement	<u>8,000,000</u>	<b>\$250,000</b>	1,000 ft/year, 32,000 ft. total
<b>Total, Water System</b>	<b>\$10,080,000</b>		

Source: ACPWA/CCSA Presentation to CPOA, Sept. 2023

ACPWA presented options such as a debt and/or supplemental assessments to fund capital improvements.<sup>48</sup> No decisions on improvements or their fund.

CCSA's water capital charges, remaining relatively constant at approximately \$416 per RDE, are deposited to the Water Capital Fund to pay for capital improvements.

A preliminary review of unaudited CCSA invoices indicates an ending fund balance shortfall of about (\$250,000) in the Water Capital Fund's FY2023-24 ending fund balance.<sup>49</sup> ACPWA's last audited financial reports were prepared for the fiscal year FY2021-22.<sup>50</sup> The document did not report individual fund balances.

<sup>48</sup> CCSA meeting presentation, Sept. 2023.

<sup>49</sup> See CPOA file: "FY20-24 Combined – 5.17.24", tab "Pivot (2024)".

<sup>50</sup> Financial Statements and Independent Auditor's Report, June 30, 2022. The Castlewood Fund. Alameda County Public Works Agency. Prepared by Grant & Smith, LLP, CPAs.

## 6. Roads

CCSA maintains approximately five miles of private roads and related drainage facilities in Castlewood, or about 43,000 square yards of pavement, excluding about one mile of privately maintained roads.<sup>51</sup> Another 1.1 miles of road are County-owned and maintained.<sup>52</sup> The 3-year moving average Pavement Condition Index (PCI) for Alameda County unincorporated roads in 2023 was 72, or “good (70-79)”, on a scale of 100.<sup>53</sup> For reference, City of Pleasanton streets averaged a PCI of 77. The PCI for CCSA roads is not known.

### Road Fund Expenditures

Road Fund expenditures vary annually depending on maintenance needs. Over a five-year period, expenditures averaged about \$50,000 consistent with annual revenues.

### Road Capital Improvements

ACPWA annual reports indicate that a major resurfacing project (Castlewood Drive) is required, and a program of regular slurry seals and periodic overlays are needed but are not currently funded adequately by CCSA road assessments.

In a 2023 presentation, ACPWA identified the road improvements shown in **Table 6**.

**Table 6 Road Capital Improvement Costs**

Item	One-Time Capital Cost	Annualized	Comments
<b>Roads</b>			
Castlewood Rd. Resurfacing	\$761,280		
Slurry Seal		98,286	\$688,000 every 7 yrs
Overlay		79,550	\$1,591,000 every 20 yrs
<b>Total, Roads</b>	<b>\$761,280</b>	<b>\$177,836</b>	

According to the FY24 Annual Report, in FY 2019-20 “the side roadways from Castlewood Drive were slurry sealed. Extensive base repair was also conducted on Greens Lane. Overlay of Castlewood Drive will be conducted after completion of the redwood tank replacement project.”<sup>54</sup> Phasing and funding for these projects was not identified.

<sup>51</sup> See Attachment D for estimated road lengths and public vs. private roads.

<sup>52</sup> Castlewood Dr. from Sunol Rd. to Foothill Rd, and Foothill Rd.

<sup>53</sup> Pavement Condition Index (PCI) for Bay Area Jurisdictions 2023. Metropolitan Transportation Commission (MTC). Oct. 30, 2024.

<sup>54</sup> FY24 Annual Report, 5/2/2023, recommending rates for FY2023-24.

## Road Funding

CCSA road assessments of \$224 per residential parcel totaling \$47,700 annually. The fee paid for projected recurring expenditures of \$15,900 and provided an annual surplus of \$31,800;<sup>55</sup> no additional increases through FY2028-29 were proposed or adopted by the BOS.<sup>56</sup>

Fixed Road Fund charges subsequently adopted by the BOS continued current CSA road assessments through FY2028-29;<sup>57</sup> these rates and revenues appear significantly below the recurring amounts sufficient to fund optimal periodic slurry seals and resurfacing noted in **Table 6**.



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<sup>55</sup> Castlewood CSA Engineer's Report. April 2024. Table 1. 182 residential parcels pay the service charge, and the Club has been estimated to attract as many vehicle trips as 31 residential parcels. Other residential parcels privately maintain their roads and are not assessed or solely utilize County roads.

<sup>56</sup> Alameda County Board of Supervisors Resolution No. 2024-131. March 26, 2024.

<sup>57</sup> Alameda County Board of Supervisors Resolution No. 2024-131. March 26, 2024.

## 7. Other Public Services

### Police Protection

The Alameda County Sheriff's Office (ACSO) provides patrol services to unincorporated areas and the California Highway Patrol handles traffic enforcement. The ACSO is funded by County General Fund sources and by a Countywide CSA for police protection, which accrues Education Revenue Augmentation Funds (ERAF).<sup>58</sup>

### Fire Protection

The Alameda County Fire Department (ACFD) provides wildland and structure fire protection throughout 500 square miles including unincorporated communities such as Castlewood and cities.

ACFD does not have stations located in unincorporated areas around Pleasanton. The Livermore-Pleasanton Fire Department provides service in this vicinity and to Castlewood CSA via contract with the County.<sup>59</sup> The nearest station is LPFD Station #4 at 1600 Oak Vista Way in Pleasanton, about 3.5 miles from the Club at Castlewood.

Approximately 25 percent of Castlewood is within a moderate to very high fire severity zone within ACFD's Local Responsibility Area (LRA).

Castlewood is within Alameda County Fire Zone #3 which is allocated an 18.1% share of property tax growth in the Castlewood CSA Tax Rate Area.<sup>60</sup>

### Planning & Building

Alameda County provides planning and building services to Castlewood property owners through the Community Development Agency (CDA) and the Public Works Agency (PWA). Offices are located in Hayward.

### CC&R Enforcement

Castlewood properties are subject to restrictions ("CC&Rs") that protect the aesthetics of the community. The CC&Rs are legally binding and enforced by legal action of property owners. The CCSA does not have the authority to enforce the CC&Rs.

### Library

The residents of Castlewood contribute to the County library system through a share of their property tax and a special tax. The nearest County library is in the City of Dublin.

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<sup>58</sup> Legislative changes associated with the State's allocation of property tax revenues to ERAF (Education Revenue Augmentation Fund) resulted in a loss to the Special District Augmentation Fund; those losses were compensated by the State and those compensating funds are allocated by the County to CSA-PP-1991-1 for public safety purposes.

<sup>59</sup> Countywide MSR on Fire Protection and Emergency Medical Services, March 5, 2024. Chp. 4, pg. 73.

<sup>60</sup> Alameda County Auditor-Controller, Report ID: TXA-21 Tax Roll Year: 2024-2025, TRA 75-011.

## 8. Financial Conditions, Indicators & Trends

As illustrated in **Table 7**, total CCSA fund balances declined to minimal levels by FY2023-24. ACPWA subsequently increased charges and loaned CCSA \$1.4 million to cover accumulated deficits in the Water M&O Fund. Rate increases in FY2024-25, and lower costs resulted in an estimated positive net change in FY2024-25.

A number of factors contributed to this fund balance decline<sup>61</sup> including:

- Leaks and pump failures
- Increased contract costs and erroneous allocation of 100 percent of contract costs to water fund<sup>62</sup>
- Water “Overage” charges including leakage during tank replacement
- Debt service for replacement of water tanks
- Other non-recurring costs, e.g., lack of documentation and improper system configuration causing damage and need for repairs

As part of its rate setting for FY2025-26, APWA requested a supplemental assessment to repay the County’s loan from its revolving fund of \$1.4 million over ten years. The loan eliminated the Water M&O Fund FY2023-24 ending fund balance shortfall of (\$1.4 million) but did not provide for nor project future fund balance reserves for contingencies and emergencies.

It is uncertain whether the estimated FY2024-25 fund balance increase will continue because of the lack of audited financial reports, absence of a capital improvement program (CIP) with projected costs and timing, and the need for a rate study that details and documents projected costs and revenues, adequate debt service coverage, and appropriate fund balance reserves for contingencies and emergencies.

**Table 7** summarizes CCSA revenues and expenditures.<sup>63</sup> The table estimates combined fund balances relative to the FY2021-22 fund balances reported in the FY2021-22 Castlewood Financial Report, the most recent audited financial reports available. These estimates differ slightly from estimates in the FY26 Annual Report due to the absence of independently audited financial reports since FY2021-22.

Actual fund balances will differ based on audited data and application of other accounting measures, e.g., recognition of accounts payable. Fund balances typically report restricted, designated and assigned portions, for example to indicate funds needed to meet contractual “encumbrances”<sup>64</sup>.

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<sup>61</sup> See also 2025 Engineers Report (p.6).

<sup>62</sup> Based on review of unaudited invoices.

<sup>63</sup> Data from CPOA file: "FY20-24 REVEXP Combined - 5.17.24, tab "Pivot".

<sup>64</sup> Encumbrances are “...budgetary tools used to track outstanding commitments for goods and services that have not yet been received or paid for. Encumbrances are typically reflected in the balance sheet as a reduction in the unassigned fund balance. According to GASB 54, significant encumbrances should be disclosed in the notes to the financial statements.



**Table 7 Summary of CCSA Revenues and Expenditures**

Item	Fiscal Year				
	FY2020-21	FY2021-22	FY2022-23	FY2023-24(6)	estimated FY2024-25(7)
<b>Beginning Fund Balance (1)</b>	<b>2,408,894</b> est'd	<b>2,595,396</b> actual	<b>1,582,581</b> FY22 ending	<b>1,289,389</b> est'd	<b>361,553</b> est'd
<b>Revenues (2)</b>					
Property Taxes	87,506	59,153	64,405	69,095	63,284
Assessments	805,243	780,489	779,157	813,181	1,203,154
Other Revenues (5)	125,364	120,274	23,382	119,223	85,300
<b>Total Revenues</b>	<b>1,018,113</b>	<b>959,916</b>	<b>866,944</b>	<b>1,001,499</b>	<b>1,351,738</b>
<b>Expenditures (2)</b>					
General	30,949	100,986	240,198	203,215	146,762
Water Operations & Maintenance	521,559	506,058	753,920	849,775	675,864
Sewer Operations & Maintenance	192,139	191,833	184,385	274,710	223,000
Roads	0	5,191	0	72,145	30,000
Water Capital	86,964	1,754,540	2,329,686	356,784	15,000
Sewer Capital	0	0	0	0	0
<b>Total Expenditures</b>	<b>831,611</b>	<b>2,558,608</b>	<b>3,508,189</b>	<b>1,756,629</b>	<b>1,090,626</b>
<b>Net Operations</b>	<b>186,502</b>	<b>(1,598,692)</b>	<b>(2,641,245)</b>	<b>(755,130)</b>	<b>261,112</b>
<b>Other Sources &amp; (Uses) of Funds of Funds</b>					
Proceeds from Loans		901,964	2,098,036		
Loan Principal & Interest				(172,706)	(172,706)
Connection Fees			189,358		
Other Contributions			60,659		
<b>Net Change in Fund Balances</b>	<b>186,502</b>	<b>(696,728)</b>	<b>(293,192)</b>	<b>(927,836)</b>	<b>88,406</b>
Adjustment (3)		(316,087)			
<b>Ending Fund Balances (1), (4)</b>	<b>2,595,396</b> FY22 beginning	<b>1,582,581</b> actual	<b>1,289,389</b> estimated	<b>361,553</b> estimated	<b>449,959</b> estimated

Source: Data provided by CPOA derived from unaudited invoices and reports from County.

FY2021-22 Beginning and Ending Fund Balances from Castlewood FY22 Financial Statements.

(1) FY22 Beginning and Ending Fund Balances from Castlewood Fund Financial Statements and Independent Auditor's Report, Alameda County Public Works Agency, June 30, 2022.

Fund balances for other years are estimated relative to FY22 Financial Statement balances.

(2) Revenues and expenditures from County ledger data (see CPOA file: "FY20-24 REVEXP Combined - 5.17.24). shown in "Other Sources (Uses)".

(3) Adjustment in FY22 is the amount necessary to reconcile FY22 Financial Statement to revenues and expenditures per County invoices.

The Castlewood FY22 Financial Statements show approximately \$270,000 more in total expenditures, and about \$50,000 less in revenue compared to CPOA tables based on invoice data provided by the County.

(4) Restrictions, commitments and allocations of fund balances (e.g., due to encumbrances) not shown.

(5) "Other Revenues" include interest on investments & State subventions (HOPTR, Home Owners Property Tax Relief). Castlewood FY22 Financial Statements report "Investments" which include losses of investment value.

(6) See CCSA Annual Report FY26, Table 5 Actual Revenue and Expenditures FY24.

(7) See CCSA Annual Report FY26, Table 6 Estimated Revenue and Expenditures FY24.

# Revenues

## Property Tax

The total assessed value in CCSA for FY2024-25 is \$411.9 million<sup>65</sup> which generates \$117,177 to CCSA.<sup>66</sup> This represents an increase of 4.7%.

Approximately 40.01% of CCSA property tax is shifted to the Education Revenue Augmentation Fund (ERAF).<sup>67</sup> After the ERAF shift, CCSA receives \$70,298.

In the event of reorganization, property taxes will be transferred to the new entity. The creation of a Community Services District (CSD) will transfer current property taxes from the CSA to the CSD.

Annexation to Pleasanton will require a tax exchange agreement to determine the split of current County property tax from Castlewood between the County and the City.

## Service Charges

Total service charge rates increased significantly in recent years. Rates were approximately \$3,500 per RDE for eleven years through FY2023-24,<sup>68</sup> then increased to \$5,482 in FY2024-25. The cost increases were primarily due to water O&M rates as described in **Section 5**. The rate increase contributed to a positive net change in FY25.

**Table 8** summarizes recent and projected charges by service.

<sup>65</sup> Report 51-202 Net Totals by Value/Fund, file: 51202069-1-Final-07-24-24.TXT, Fund (Class) 7380 Castlewood CSA R-67-1. Auditor-Controller Alameda County.

<sup>66</sup> Report TXA-21 Data by Class-TRA Relationships Tax Roll Year: 2024-2025, Auditor-Controller Alameda County.

<sup>67</sup> 2024-25 ERAF Contribution Percentages, Auditor-Controller Alameda County. The shift varies slightly each year.

<sup>68</sup> Annual Report, Fiscal Year 2023-2024, Table 2.

**Table 8 Summary of Charges (FY23-FY29)**

Fiscal Year	Service					Total
	Road Services (per parcel)	Sewer Maintenance (per RDE) <sup>1</sup>	Sewer Capital (per RDE) <sup>1</sup>	Water Capital (per meter/ connection) <sup>1</sup>	Water Maintenance (per meter/ connection) <sup>2</sup>	
FY2022-23 <sup>3</sup>	\$224	\$675	\$416	\$1,099	\$1,089	\$3,503
FY2023-24	\$224	\$675	\$416	\$1,099	\$1,089	\$3,503
FY2024-25	\$224	\$785	\$416	\$1,099	\$2,958	\$5,482
FY2025-26 <sup>2</sup>	\$224	\$809	\$416	\$1,099	\$3,940	\$6,488
FY2026-27	\$224	\$833	\$416	\$1,099	\$4,031	\$6,603
FY2027-28	\$224	\$858	\$416	\$1,099	\$4,125	\$6,722
FY2028-29	\$224	\$884	\$416	\$1,099	\$4,222	\$6,845

**Source: Castlewood CSA R-1967-1 Engineer's Report for Proposed Service Charge Increase, April, 2024, Tb. 11 plus water maintenance supplement per Engineer's Report, April 22, 2025.**

1) Charges (other than roads, sewer/water capital, and water maintenance supplement) increase 3%/yr (per FY2024-25 rate increase).

2) Water service charge FY26 adds 10-year annual supplement of \$829.72 to repay County loan of \$1.4 mill. for prior years' fund balance shortfall. Rate increase in process (FY26 Annual Report).

3) Annual Report, Fiscal Year 2022-2023, Castlewood County Service Area, 4/26/2022.

## Expenditures

As summarized in **Table 7** and described for each fund in the prior section, expenditures and non-recurring expenses peaked in FY2022-23. ACPWA took steps to provide a County loan to cover \$1.4 million of accumulated Water O&M Fund deficits and increased rates. A supplemental charge is intended to repay the County loan.

## Assets

### Fund Balances

As estimated in **Table 7**, total fund balances at the end of FY24 were under \$500,000 and approaching a deficit. The shortfalls resulted from recent years of annual costs exceeding revenues.

The Water Maintenance Fund indicated a significant deficit. A \$1.4 mill. County loan restored the Water Maintenance Fund's balance to zero.<sup>69</sup> ACPWA's last audited financial reports were prepared for the fiscal year FY2021-22.<sup>70</sup> The document did not report individual fund balances.

<sup>69</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025, pg. 5-6.

<sup>70</sup> Financial Statements and Independent Auditor's Report, June 30, 2022. The Castlewood Fund. Alameda County Public Works Agency. Prepared by Grant & Smith, LLP, CPAs.

## Infrastructure and Facilities

CCSA does not report the value of the sewer, water and road infrastructure and facilities it maintains in its financial reports; the last financial report was prepared for FY2021-22.<sup>71</sup>

Financial reports commonly document the value of a public agency's infrastructure and facilities. Annual and accumulated depreciation can provide a partial measure of asset condition, in addition to physical assessments, to indicate the adequacy of investments in capital maintenance.

## Liabilities

The most recent audited financial reports prepared for the CCSA for FY2021-22 showed accounts payable and accrued expenditures of \$529,051 but provided no further detail or explanation.<sup>72</sup>

More recent liabilities incurred by CCSA include the following obligations which should be documented with repayment schedules in an audited financial report.

### State Loan

The Drinking Water State Revolving Fund (DWSRF) provided CCSA a loan of \$3 million for water tank replacement.<sup>73</sup> Repayments began in 2023 and total approximately \$177,000 annually.

### County Revolving Fund

The County created a CSA revolving fund and provided CCSA with \$1.4 million<sup>74</sup> to fund accumulated deficits in the CCSA Water Maintenance Fund. ACPWA added a supplemental assessment to water maintenance charges to repay the loan over a ten-year period.<sup>75</sup>

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<sup>71</sup> Financial Statements and Independent Auditor's Report, June 30, 2022. The Castlewood Fund. Alameda County Public Works Agency. Prepared by Grant & Smith, LLP, CPAs.

<sup>72</sup> Financial Statements and Independent Auditor's Report, June 30, 2022. The Castlewood Fund. Alameda County Public Works Agency. Prepared by Grant & Smith, LLP, CPAs.

<sup>73</sup> See County BOS resolution approving application for DWSRF, Nov. 6, 2020.

<sup>74</sup> See ACPWA memorandum to BOS with attached resolution R-2024-484, Oct. 2, 2024.

<sup>75</sup> Castlewood CSA R-1967-1 Engineer's Report for Proposed Supplemental Service Charge, April 22, 2025.

## 9. Governance Options

Options offer the opportunity to improve the effectiveness of public services to Castlewood in a number of ways (depending on the option):

- Efficiencies of scale could reduce future administrative, operational, and other costs
- Local representation could improve accountability
- Financial reporting and planning could increase transparency, improve decision making and cost management

Actual future road, water and sewer charges will depend on the outcome of the financial and capital planning efforts, operational and governance changes attributable to a given option.

**Table 9** summarizes key aspects of governance options.

**Table 9 Summary of Governance Options**

Item	Governance Option		
	OPTION 1 Governance Status Quo (CCSA)	OPTION 2 Reorganization of CCSA Into a Community Services District (CSD)	OPTION 3 CCSA Annexation to City of Pleasanton
<b>Reorganization</b>	No reorganization.	Castlewood CSA R-1967-1 is dissolved & a new successor CSD created to take over the services, assets & liabilities of the CSA.	Castlewood CSA R-1967-1 is dissolved and the area is annexed to the City of Pleasanton.
<b>Governance &amp; Representation</b>	No change. County Board of Supervisors continues to manage the CSA.	Locally-elected five member CSD Board would become responsible for facilities & programs of former CCSA.	Pleasanton City Council (mayor and 4 members) responsible for facilities & services of former CCSA, and would provide all other City services. The mayor is elected at-large by all City voters, and Castlewood would be presented by one council member who lives within and is elected by residents of District 3.  City could establish advisory committee comprised of Castlewood representatives.
<b>Management &amp; Operation</b>	No change to management & operation of programs & facilities by Alameda PWA staff, & other agencies & contract providers.	CSD staff (and/or contracted firms, other agencies) manage and operate former CCSA services & facilities at similar (or improved) levels.	City staff (and/or contracted firms, other agencies) manage and operate former CCSA services & facilities at similar (or improved) levels.
<b>Services, Facilities and Plans</b>	No change to services, facilities and plans (except as determined by BOS, ACPWA with input from representatives of Castlewood.	CSD Board would determine changes to provision of current services, plans and programs.	City would integrate former CCSA into City plans, programs and departments.  Castlewood could become a zone within the City for the purpose of determining assessments.
<b>Costs and Revenues</b>	Costs continue to include operating & capital costs for general services and engineering, water, sewer and road services including County staff/charges. Costs funded by property tax, assessment and other revenues.	CSD would manage operating and capital costs for same services and facilities as CCSA excluding County staff and admin charges (except by agreement). May be additional costs for CSD board, elections, & other admin/OH.	City would manage operating & capital costs for same services & facilities as CCSA. CCSA revenues transfer to City (property tax exchange to be negotiated with County).
<b>Rates and Charges</b>	Rates continue to be determined annually based on anticipated costs. Rates generally established for five-year periods, plus supplemental assessments as necessary (i.e., to repay County shortfall loan).	CSD would be entitled to CCSA revenues (property tax, assessments, other revenues).	Castlewood could become a zone within City for the purpose of assessments. The City would be responsible for O&M and capital planning (in consultation with residents).
<b>Capital Costs</b>	Capital improvement planning conducted periodically in consultation with residents.	CSD Board would establish rates consistent with a rate study to provide adequate funding for operations, capital and contingency reserves.	Annexation would increase revenues to the City (e.g., property tax, sales tax, gas tax) and could increase costs (e.g., police).

May 7, 2020

## CCSA (Status Quo)

This option is essentially “no change” in the status quo.

A number of actions could be undertaken to improve the cost efficiency and effectiveness of current operations and help to manage future rate increases, as noted in this report.

## Community Services District

The formation of an independent CSD run by a locally elected board offers the potential to improve local oversight and decision making.

Improved cost effectiveness may be partially offset by additional costs associated with running a CSD.

## Annexation to Pleasanton

Annexation to the City of Pleasanton could improve local representation compared to the status quo BOS.

Management by municipal departments could provide access to expertise, policies and procedures that could improve financial transparency and planning.

The community may receive a higher level of municipal services compared to those provided to unincorporated communities. Annexation could increase revenues to the City to help offset service costs.

Castlewood could become a zone within the City for the purpose of assessments and to mitigate potential financial impacts on the City from the costs of Castlewood services and infrastructure.

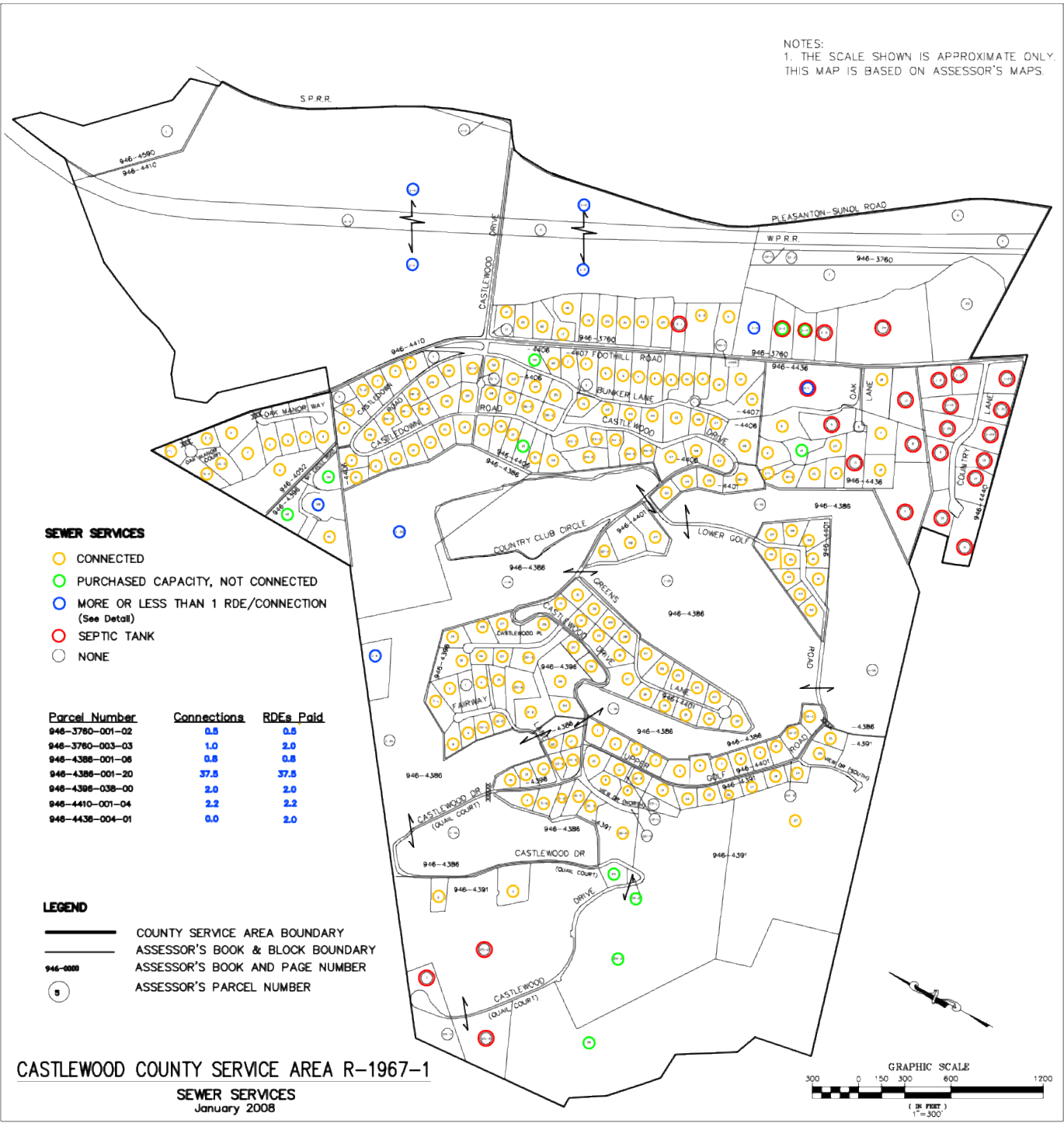
## Attachment A

### CCSA Sewer Parcel Map<sup>76</sup>

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<sup>76</sup> Accessed 5/7/2025 at: <https://castlewoodpoa.org/county-service-area/>



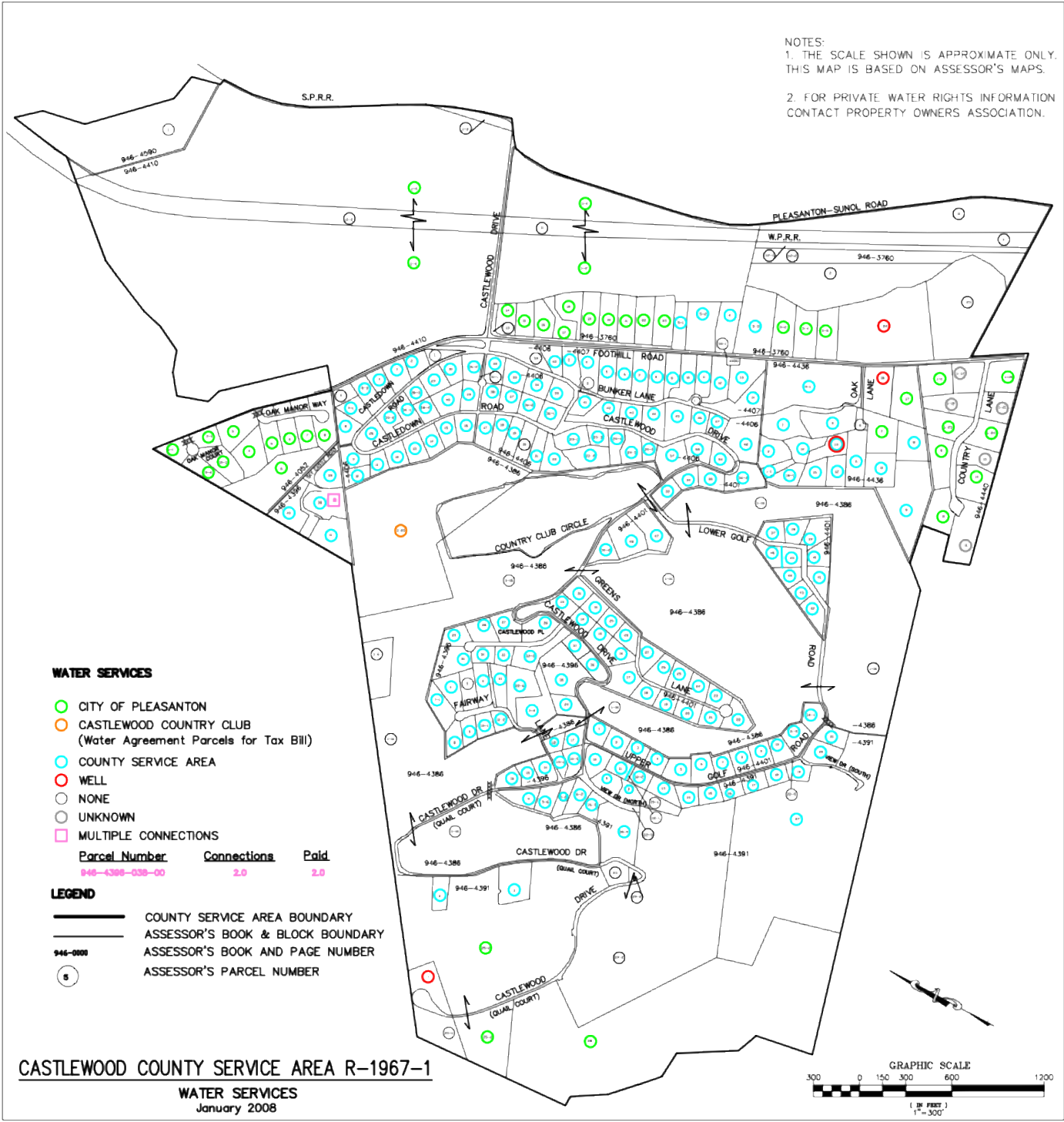


## Attachment B

### CCSA Water Parcel Map<sup>77</sup>

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<sup>77</sup> Accessed 5/7/2025 at: <https://castlewoodpoa.org/county-service-area/>

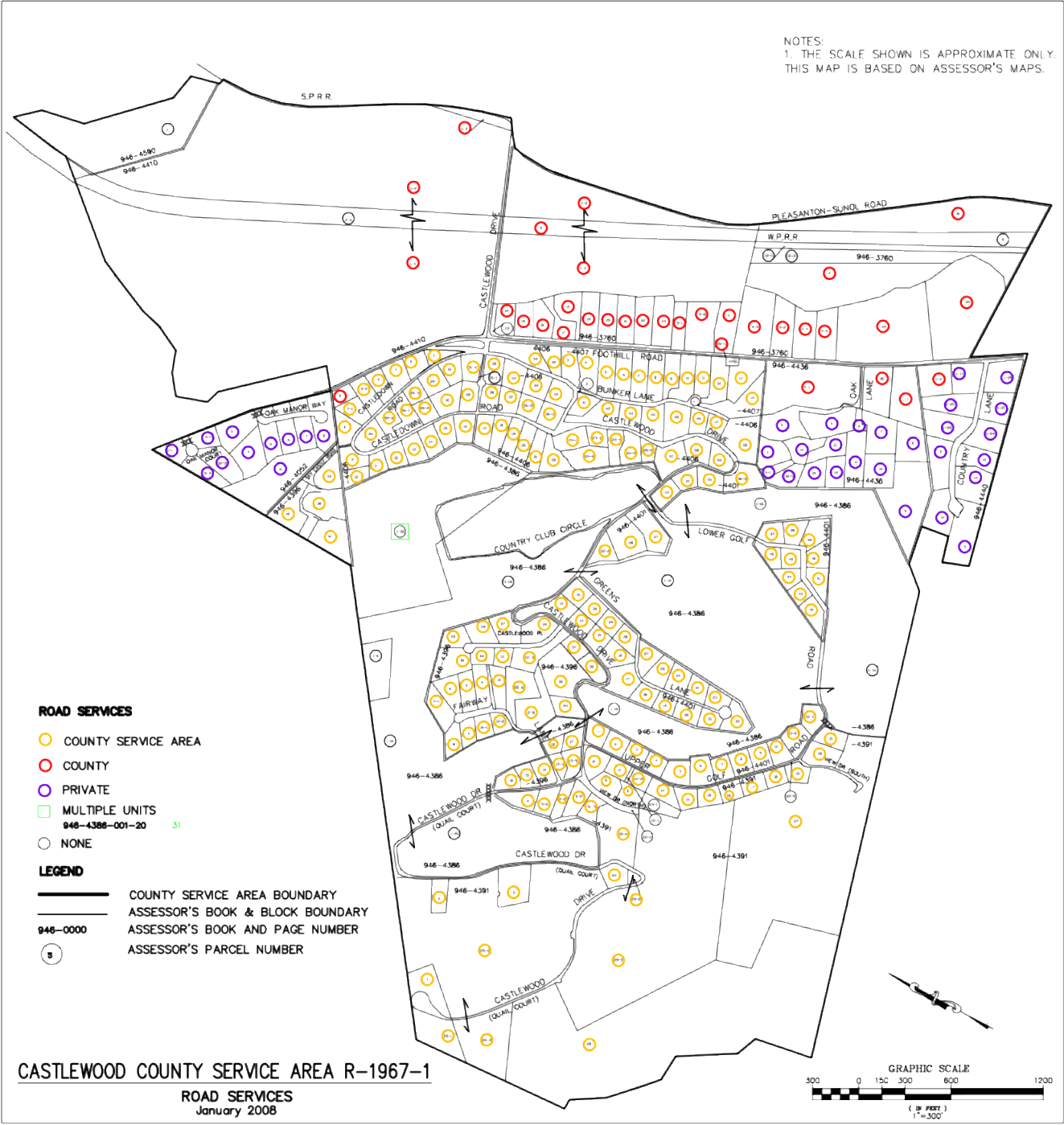


## Attachment C

### CCSA Roads Parcel Map<sup>78</sup>

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<sup>78</sup> Accessed 5/7/2025 at: <https://castlewoodpoa.org/county-service-area/>



**Attachment D**

CCSA Roads and Approximate Lengths

1) Castlewood Dr. - Pleasanton Sunol Rd to Foothill Rd; (1,300 ft. excluded - County - see Road Services map)	na
2) Foothill Rd. (4,500 ft. excluded - County - see Road Services map)	na
3) Castlewood Dr. - from Foothill Rd. to end	2 miles
4) Castledown Rd.	2,600 ft.
5) Skycastle Rd. (1,500 ft. excluded - see below)	na
6) Country Club Cir.	1 mile
7) Country Lane (1,000 ft. excluded - see below)	na
8) Oak Lane (1,800 ft. excluded - see below)	na
9) Bunker Lane (1,200 ft. excluded - see below)	na
10) Golf Road	4,100 ft.
11) Greens Lane	1,500 ft.
12) Fairway Lane	1,000 ft.
13) Castlewood Place	700 ft.
14) View Drive - Castlewood Dr. to end	200 ft.
15) View Drive - Golf Rd. to end	600 ft.
<b>TOTAL (exc. County &amp; privately maintained roads)</b>	<b>5.0 miles</b>

**Road area maintained** **43,000 sq. yds**  
(ACPWA Presentation to CPOA, September 2023)

**FY24 Annual Report:**

"Parcels located on Country Lane and Oak Lane are not charged for road services, as the property owners on these roads have elected private maintenance options."  
Sky Castle and Bunker Lane are private roads for which road services are covered by their private maintenance agreements. However, those property owners along Sky Castle and Bunker Lane are charged by the CSA for road services for use of the CSA roads they use to access their private roads. "

**Attachment E**

**CCSA Tax Increment Factors by Entity**

CCSA Account 7380 Tax Rate Area (TRA): 75-011



Class	Taxing Entity	Tax Increment Factor	% of \$1/\$100 Basic Property Tax
A1005	County General	0.39058246	39.06%
A3003	Chabot-Las Positas Com Col Gen	0.02827624	2.83%
A3058	Pleasanton Unif Gen	0.22714504	22.71%
A4006	Sch TMR EC 1887	0.00116185	0.12%
A4007	Sch Phy HDCP EC 1856	0.00433088	0.43%
A4008	Sch TMR PH Capital	0.00009625	0.01%
A4009	Sch TMR PH Tuition	0.00058467	0.06%
A4010	Sch Instit Pupils	0.00185556	0.19%
A4011	Sch Juv Hall Education	0.00038383	0.04%
A4012	Co Supt Sch Service	0.00115328	0.12%
A4013	Co Supt Sch Capital	0.00088860	0.09%
A4015	Sch Dev Ctrs	0.00107876	0.11%
A4020	Sch Audio Visual Capital	0.00023090	0.02%
A7005	County Library	0.04967878	4.97%
A7006	County Library Spec. Tax Zone	0.00175747	0.18%
A7070	Alameda Co. F.C. & W.C.	0.00234088	0.23%
A7106	Zone 7 Water Agency	0.02357406	2.36%
A7115	Bay Area Air Quality Mgmt	0.00234261	0.23%
A7135	Alameda Co. Mosquito Abatement	0.00156151	0.16%
A7165	SF-BART	0.00687977	0.69%
A7180	East Bay Regional Park	0.03289876	3.29%
A7375	Alameda Co. Resource Conser.	0.00030929	0.03%
<b>A7380</b>	<b>County Service Area R-1967-1 (Road)</b>	<b>0.03992594</b>	<b>3.99%</b>
A7391	AlaCo Fire Zone #3, Castlewood	0.18096261	18.10%
<b>Total</b>		<b>1.00000000</b>	<b>100.00%</b>
Source: Alameda County Auditor-Controller, Report ID: TXA-21 Tax Roll Year: 2024-2025			

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## AGENDA REPORT

September 11, 2025

Item No. 6

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** LAFCO Retirement and Health Benefit Options

The Alameda Local Agency Formation Commission (LAFCO) is asked to discuss and select retirement and health benefit providers to ensure implementation of LAFCO's transition to independence effective January 1, 2026, and to authorize staff, in consultation with legal counsel, to finalize agreements with selected providers.

### Information

Alameda LAFCO currently participates in the County of Alameda County retirement and benefit programs. Retirement benefits are administered under the Alameda County Employees' Retirement Association (ACERA), while health and welfare benefits are offered through County group plans.

As of January 1, 2026, the Commission must transition to independent benefit platforms in order to complete its separation from the County. This requires the Commission to determine which providers should be engaged for both retirement and health and welfare benefits.

Epic Insurance Brokers was retained to evaluate available options and consultant, Bill Lavis, prepared the report as shown in Attachment 1. Their evaluation highlights choices between ACERA and CalPERS for retirement benefits, and between CalPERS and Special District Risk Management Authority (SDRMA) for health and welfare benefits.

### Background

#### Retirement Plan Evaluation

Currently, Alameda LAFCO employees are enrolled in ACERA through their employment with the County. As of January 1, 2026, LAFCO must establish its own retirement plan. The Commission now must consider between remaining in ACERA as a separate employer or transition to CalPERS.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

Remaining in ACERA would provide continuity for current staff, who are already active members, and preserve familiarity with the system's benefit structure and administrative processes. ACERA also offers certain post-retirement medical benefits that may not be available under CalPERS. These are meaningful considerations for staff continuity and stability.

The financial implications, however, are noticeable. While both systems provide similar benefit formulas – approximately two percent of final average compensation per year of service – the employer contribution rates differ substantially once unfunded liabilities are included.

### **Key considerations include:**

- **Employer Contribution (Normal Cost):**
  - ACERA: 9.06%–9.11%
  - CalPERS: ~9.13% (based on small employer rates)
- **Unfunded Accrued Liability (UAAL):**
  - ACERA: Adds 19.52%, bringing total employer costs to roughly 28.5% of payroll.
  - CalPERS: No UAAL obligation since LAFCO is not currently an independent ACERA employer. Contributions would remain closer to ~9%, subject to actuarial valuation.
- **Employee Contributions:**
  - ACERA: Equal to employer's normal cost.
  - CalPERS: Determined through actuarial valuation.

In short, ACERA offers continuity and post-retirement medical benefits and CalPERS presents a substantially lower cost structure.

### **Health and Benefits Plans**

At present, Alameda LAFCO employees receive health and welfare benefits through the County of Alameda, which offers Kaiser and United Healthcare plans, Delta Dental, VSP Vision, employer-paid life insurance, and a suite of voluntary benefits. The annual cost of these benefits for LAFCO's two employees is approximately \$48,446.

With independence, LAFCO must select a new health and benefits plan. Both CalPERS and SDRMA provide comprehensive benefits from major vendors at competitive pricing.

### Comparative highlights include:

- **CalPERS**
  - Medical, dental, and vision coverage from major carriers (Anthem, Blue Shield, Kaiser, United Healthcare).
  - 2026 medical rates: \$1,063–\$1,612 (single coverage).
  - Dental PPO rates: \$45–\$51 (single coverage).
- **SDRMA**
  - Medical, dental, and vision benefits from Blue Shield, Kaiser, Delta Dental, and VSP.
  - 2026 medical rates: \$1,002–\$1,703 (single coverage).
  - Dental PPO rates: \$30–\$53 (single coverage).
  - Broader voluntary benefit options (e.g., disability, legal, pet insurance).
  - Comprehensive HR-style administrative support, functioning as a back-office partner.

Access requirements also differ. CalPERS' membership process requires additional clarification on whether an agency must also be a member of their retirement plan, while SDRMA offers entry either directly or through membership in the California Special Districts Association (CSDA). Membership dues for CSDA are estimated at \$1,300–\$1,800 annually for an agency of LAFCO's size.

### Discussion

The item is for the Commission to decide on retirement and health/benefit providers no later than fall 2025 to ensure a smooth transition by January 1, 2026.

- **Retirement:** The decision is between ACERA's continuity and post-retirement medical offerings, at significantly higher costs, versus CalPERS' lower cost structure but less familiarity.
- **Health and Welfare:** CalPERS provides established benefits through major carriers, while SDRMA offers additional voluntary benefits and administrative support that may be especially valuable for a small agency like LAFCO.

The choice of providers will directly shape both financial sustainability and the employee experience as LAFCO becomes fully independent.

## Analysis

While the consultant's report provides a useful comparison of retirement and health benefit options, staff believes the Commission should also weigh the following factors:

- **CalPERS Cost Uncertainty**

The consultant recommends gathering additional information on CalPERS before making a final decision. Staff agrees that further due diligence could add clarity but notes that LAFCO faces a hard implementation deadline of January 1, 2026. Prolonged fact-finding risks delaying action to the point where LAFCO defaults into continuing with ACERA by necessity, rather than by deliberate choice.

- **ACERA's Post-Retirement Medical Benefit**

One distinguishing feature of ACERA is the inclusion of post-retirement medical benefits, which are not available under CalPERS. Although the consultant did not evaluate this factor, staff highlights that this benefit may provide meaningful long-term value for employees, particularly in terms of recruitment and retention.

## Alternatives for Action

### Alternative One (Recommended):

Select providers for LAFCO's retirement and health and welfare benefits, and direct staff, in consultation with legal counsel, to finalize agreements with the chosen providers to ensure implementation by January 1, 2026.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

## Recommendation

It is recommended the Commission proceed with Alternative Action One.

## Procedures

This item has been placed on Alameda LAFCO's agenda as part of the business calendar. The following procedures are recommended in consideration of this item:

1. Receive verbal presentation from staff unless waived.
2. Invite any comments from the public.
3. Provide feedback on the item as needed.

Respectfully,

A handwritten signature in blue ink, appearing to read "Rachel Jones", with a stylized flourish at the end.

Rachel Jones  
Executive Officer

Attachment:

1. Evaluation of Retirement and Health and Welfare Options for Alameda LAFCO, Epic Insurance Brokers
2. ACERA Potential New Employers Costs Report
3. CalPERS Actuarial Analysis Report

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# Evaluation of Retirement and Health & Welfare Benefit Options for Alameda LAFCO

Prepared by Bill Lavis, Epic Insurance Brokers

Draft – September 3, 2025

## Overview

Alameda LAFCO currently provides retirement and health benefits to its two employees through Alameda County. Retirement benefits are administered under the Alameda County Employees' Retirement Association (ACERA), while health and welfare benefits are offered through County group plans.

As of **January 1, 2026**, LAFCO will no longer be eligible for the County's health and welfare benefits and must transition to an independent platform. For retirement, LAFCO may either:

- Continue participation in ACERA (as a separate employer), or
- Transition to the California Public Employees' Retirement System (CalPERS).

This evaluation provides commentary on:

- **Retirement plan options** (ACERA vs. CalPERS), and
- **Health and welfare benefit platforms** (CalPERS vs. SDRMA).

## Retirement Plan Evaluation

### Current Situation

- **ACERA:** LAFCO employees are currently enrolled through Alameda County. If LAFCO becomes an independent employer within ACERA, its cost structure would change significantly.
- **CalPERS:** LAFCO is eligible to join CalPERS as an independent agency.

### Benefits Comparison

- **Benefit Formula:** Both ACERA and CalPERS provide a defined benefit of approximately **2% of final average compensation per year of service**.
- **Normal Cost (Employer Payroll Contribution):**
  - ACERA: **9.06% – 9.11%**
  - CalPERS: **~9.13%** (publicly posted rates for small employers)

---

## Unfunded Accrued Liability (UAAL)

- **ACERA:** According to Andy Yeung of Segal Company (ACERA's actuarial consultant), ACERA carries a **UAAL payroll cost of 19.52%**. If LAFCO were to participate as a separate employer, it would be responsible for this full UAAL contribution, resulting in an **overall employer cost of ~28.5%**.
- **CalPERS:** Based on research and conversations, LAFCO would not be subject to a withdrawal liability from ACERA since it is not currently an independent ACERA employer. CalPERS contributions would be limited to the normal cost rate (~9.13%) plus any adjustments determined through an actuarial valuation.

## Employee Contributions

- **ACERA:** Employee contributions are equal to the employer's normal cost rate.
- **CalPERS:** Employee contributions vary and are determined by actuarial valuation.

## Observations

- If LAFCO continues with ACERA, employer costs could approach **28% of payroll**.
- If LAFCO transitions to CalPERS, employer costs could be held closer to **9% of payroll**.
- While CalPERS may present a more sustainable financial model, further research is required regarding:
  - Membership application process and actuarial valuation requirements
  - Employee contribution rates
  - Long-term obligations and plan design differences

## Preliminary Conclusion

CalPERS appears to be the more cost-effective retirement plan option for LAFCO, potentially saving nearly **20% of payroll costs** compared to ACERA. However, additional due diligence and expert consultation will be necessary to confirm eligibility, transition steps, and long-term implications.

---

## Health & Welfare Benefits Evaluation

### Current Benefits (County of Alameda)

- Medical: 2 Kaiser HMO, 2 United Healthcare HMO, 1 United Healthcare PPO
- Dental: 1 Delta Dental PPO, 1 Delta Dental HMO
- Vision: 1 VSP PPO
- Life Insurance: Employer-paid (New York Life)
- Voluntary Benefits: Employee-paid options including life and disability (short/long-term), pre-paid legal, pet insurance, critical illness, hospital indemnity, accident, long-term care, and identity theft protection

**Current Cost (2 employees, medical/dental/life only):** \$48,446 annually  
(*Dependent status and plan choices unknown; actual costs may vary*)

### Alternative Platforms

#### CalPERS

- **Medical:** Anthem, Blue Shield, Kaiser, United Healthcare, Western Health Advantage (HMOs, PPOs, Gold/Platinum tiers)
- **Dental:** Multiple PPO and HMO plans (Delta Dental)
- **Vision:** VSP (two PPO options)
- **Life Insurance:** Employer-paid and voluntary options
- **Disability/EAP:** Limited clarity from public sources
- **Rates (2026):**
  - Medical: \$1,063 – \$1,612 (single coverage)
  - Dental PPO: \$45 – \$51 (single coverage)

#### SDRMA

- **Medical:** Blue Shield PPO/EPO/HSA, Kaiser HMOs
- **Dental:** Delta Dental PPO and HMO options
- **Vision:** VSP (five PPO options)

- 
- **Life & Disability:** Employer-paid and employee-paid options
  - **Employee Assistance Program (EAP):** Employer-paid
  - **Rates (2026):**
    - Medical: \$1,002 – \$1,703 (single coverage)
    - Dental PPO: \$30 – \$53 (single coverage)

## Comparative Commentary

- Both platforms offer **robust benefit menus** from major carriers.
- **Pricing:** Comparable overall; SDRMA provides a broader range of dental PPO pricing.
- **Voluntary Benefits:** SDRMA offers a wider selection of employee-paid ancillary options.
- **Administrative Support:** SDRMA distinguishes itself by offering **comprehensive administrative and HR support services**, effectively serving as a back-office partner for member agencies. This support may be especially valuable for a small, independent agency like LAFCO.

## Access Requirements

- **CalPERS:** Membership requirements need further clarification; additional time is needed to confirm entry process and obligations. Most likely need to receive retirement benefits from CalPERS to join benefit plan.
- **SDRMA:** Two access options:
  1. **CSDA Membership:** Requires joining the California Special Districts Association, which includes workers' compensation and liability insurance. Membership dues for an agency of LAFCO's size are estimated at \$1,300 – \$1,800 annually.
  2. **Direct Access:** Possible without CSDA membership but still requires an underwriting and approval process by SDRMA.

---

## Conclusion

### Retirement Plans:

- ACERA would impose a high employer cost due to UAAL charges (~28.5%).
- CalPERS appears to offer comparable benefits at a substantially lower cost (~9%), though further research is required.

### Health & Welfare Plans:

- Both CalPERS and SDRMA provide competitive pricing and benefit menus.
- SDRMA offers superior voluntary benefits and administrative support services, making it an attractive option for a small agency establishing independent operations.
- Engagement with CSDA may provide additional benefits, including insurance options beyond health and welfare.

### Recommendation:

- Pursue additional due diligence on CalPERS retirement plan entry requirements.
- Begin formal discussions with SDRMA to evaluate membership and enrollment timelines.
- Consider CSDA membership to leverage additional support services.

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March 11, 2025

Mr. Dave Nelsen  
Chief Executive Officer  
Alameda County Employees' Retirement Association  
475 14<sup>th</sup> Street, Suite 1000  
Oakland CA 94612-1900

**Re: Alameda County Employees' Retirement Association (ACERA) — Potential new employer to contract with ACERA**

Dear Dave:

We were requested to provide analysis and cost for Alameda Local Agency Formation Commission (LAFCO) to contract with ACERA as an independent participating employer, to provide vested pension and other non-vested benefits<sup>1</sup> such as those paid by the Supplemental Retiree Benefits Reserve (SRBR). In this letter, we have included our recommended employee and employer contribution rates for LAFCO and outlined certain cost considerations for providing the vested pension benefits<sup>2</sup> by ACERA.

## Background

We understand that LAFCO currently contracts with the County to have two County employees perform work at that agency. Those County employees are currently enrolled in ACERA's General Tier 4 plan and they are paying the same employee rate charged by ACERA to all members in General Tier 4. Similarly, LAFCO is paying to the County the same employer rate charged by ACERA to the County for all members in General Tier 4. We understand that upon a successful negotiation with ACERA and other stakeholders, the two employees would effectively have their employment be transferred from the County to LAFCO. It is anticipated that the two employees would not experience any changes in their benefits<sup>3</sup> provided by ACERA and LAFCO would become an independent participating employer at ACERA with a preliminary starting date of July 1, 2025.

We have provided below the procedure that we used to determine the normal cost to be paid by the two employees and by LAFCO. As the two future employees at LAFCO have past service at the County and the County has unfunded actuarial accrued liability (UAAL) at ACERA with respect to that past service (as well as past service for other County active, deferred vested and

<sup>1</sup> The payment of non-vested benefits is at the discretion of the Board of Retirement based on the availability of funds in the SRBR.

<sup>2</sup> There are no contributions required to be paid to the SRBR.

<sup>3</sup> As part of this study, we have assumed that there would be no change in the current and future salaries that the two employees would be expected to receive whether they are employed by LAFCO or the County.

retired members), we have included in this letter our proposed UAAL contribution rate to be paid by LAFCO.

## Determination of normal cost rates and Actuarial Funding Policy considerations

For informational purposes, we have determined the normal cost rate based just on the specific demographic profile as of December 31, 2023 of the two County employees that currently work at that agency. For these two employees, their entry ages into ACERA are 29 and 58 for purposes of determining normal cost. Generally, the earlier the entry age the lower the normal cost rate would be determined in the valuation, as there would be more time to grow the contributions necessary to fund the benefit at the employees' expected retirement ages.

As shown in the table below, the average normal cost rate for just the two LAFCO employees is 9.11% of payroll for each of the employee and the employer. This rate is very close to the average normal cost rate that is charged to all General Tier 4 members in ACERA based on an average entry age of about 39 (9.06% of payroll for each of the employee and employer).

Again, the normal cost rates based only on the two LAFCO employees are provided for informational purposes only because absent any specific direction to the contrary from the Board of Retirement, under ACERA's Actuarial Funding Policy, the employee and employer normal cost rates currently charged in the valuation for each tier are pooled and the same normal cost rates are therefore paid by all the employees and the employers covering members under General Tier 4. We believe this Policy element to pool normal cost rates would help produce more stable employee and employer normal cost rates especially for smaller employers like LAFCO. In particular, the average normal cost rate based just on LAFCO's membership could fluctuate if upon the termination or retirement of the two employees included in this study, they were replaced by new employees with very different demographic profile.

### Normal Cost Rates Determined as of December 31, 2023

Normal Cost Rate	(For Informational Purposes) Normal Cost Rate for General Tier 4 Calculated Just On LAFCO Employees	Recommended Normal Cost Rate for LAFCO General Tier 4 Employees
Employee normal cost rate	9.11%	9.06%
Employer normal cost rate	9.11%	9.06%



## Determination of UAAL contribution rates and Actuarial Funding Policy considerations

As we indicated above, LAFCO is currently paying to the County the same employer rate charged by ACERA, which includes both a normal cost rate and a rate to amortize the UAAL.

In the December 31, 2023 valuation, the net UAAL rate for the General membership group that is ultimately paid by the County reflects the UAAL for the County and several other district employers at ACERA after it has been offset by the credits from the pension obligation bonds (POB), and the implicit retiree health benefit subsidy that is only available to the County.

Given the unique circumstances as they relate to the retention of the two existing County employees to work at LAFCO, and the amount that is charged to LAFCO that has always included a UAAL cost component, it would be reasonable for LAFCO to contribute the same UAAL contribution rate as other district employers at ACERA.

The County issued POB in the late 1990's. The proceeds from the POB provided additional contributions to advance fund the UAAL for the County as well as for Alameda Health System, Superior Court and First 5 as these district employers were part of the County at the time the POB was issued. In return for the POB contributions, ACERA has been providing POB credit to these employers to reduce their UAAL contribution rate. We understand that in order to pay back the POB, these employers have been charged a proportionate share of the annual debt service payment by the County.

Also, the County's health care plan premiums are underwritten on a blended rate basis based on both the active employees of the County and all eligible ACERA members enrolled in the group plans who are under age 65 and receiving a premium subsidy from the SRBR. Because the health care plan premiums if underwritten only on the members in the SRBR would have been higher, there is an implicit subsidy paid by the County using the blended rate for their active employees. As a result, ACERA has been providing a credit to reduce the County's UAAL contribution rate to reflect the implicit retiree health benefit subsidy cost.

The table below shows the employer UAAL rate that is currently paid by the County for their General employees (that we have provided for informational purposes) compared to LAFCO's UAAL rate after LAFCO becomes an independent participating employer with ACERA, based on the results of the December 31, 2023 valuation. In recommending the UAAL rate for LAFCO, we have taken into consideration input received from ACERA that the County would not be inclined to extend the POB credit to LAFCO and it would not charge LAFCO for a proportionate share of the annual debt service payment made by the County.

## UAAL Rates Determined as of December 31, 2023

Employer UAAL Rate	(For Informational Purposes) UAAL Rate for County General Employees	Recommended UAAL Rate for LAFCO Employees
UAAL (Before POB and Implicit Subsidy Credits)	19.52%	19.52%
POB Credit	(5.06%)	N/A
Implicit Retiree Health Benefit Subsidy Credit	(1.08%)	N/A
<b>Net UAAL Rate</b>	<b>13.38%</b>	<b>19.52%</b>

Even after the Board approves the initial UAAL rate for LAFCO, there would still be a need to determine if future changes in the UAAL (such as from actuarial gains/losses) would be tracked separately for LAFCO. Under the Board's Actuarial Funding Policy, with the exception of the UAAL contribution rate adjustments outlined above, all General employers with similar benefit and contribution history<sup>4</sup> share in the same UAAL contribution rate.

Similar to the normal cost discussion above, due to the small population size of LAFCO, tracking and charging LAFCO based on their unique actuarial experience could lead to large swing in their UAAL rate. Therefore, absent any direction to the contrary from the Board of Retirement, we would follow ACERA's Actuarial Funding Policy to pool the future changes in UAAL for LAFCO with the other General employers.

However, as the annual payments required to pay off the UAAL for the General membership group are charged to an ACERA General employer based on payroll, for a small agency such as LAFCO with only two employees, a temporary reduction in payroll (if an active employee leaves LAFCO and is not immediately replaced by another employee) or a permanent reduction in payroll (if budgetary concerns caused LAFCO to reduce its workforce) might result in not collecting the proper UAAL amount. Depending on the circumstances, we might need to consult with the Board on how such occurrence would be handled in future valuations taking into consideration the "triggering event" under ACERA's Declining Employer Payroll Policy.

## Other considerations

Information provided in this letter is based on the most recent December 31, 2023 actuarial valuation results, including the financial, participant data and actuarial assumptions on which that valuation was based.

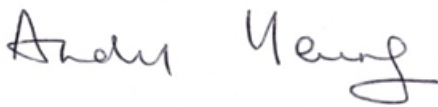
<sup>4</sup> LARPD is the only General employer that has adopted a Tier 3 plan and they have made additional contributions to advance fund their UAAL. As a result, the UAAL contribution rate for LARPD has been calculated separately.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

The actuarial calculations contained in this letter were performed under the supervision of Eva Yum, FSA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

If you have any questions, please do not hesitate to give us a call.

Sincerely,



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



Eva Yum, FSA, MAAA, EA  
Vice President and Actuary

EY/jl

cc: Rachel Jones

**Disclaimer**

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**California Public Employees' Retirement System**
**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

 888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)
**April 2025**
**Proposed PEPRA Miscellaneous Plan for Alameda Local Agency Formation Commission  
(CalPERS ID: 2198790883)**
**New Agency Actuarial Valuation Report as of May 31, 2025**
**2% @ 62 PEPRA Miscellaneous with 3-year Final Average Compensation, 0% Prior Service**

Dear Employer,

Enclosed is the actuarial valuation conducted to determine the required contributions if the Alameda Local Agency Formation Commission elects to participate in the California Public Employees' Retirement System (CalPERS). This valuation is based on a valuation date and a contract start date of May 31, 2025. CalPERS staff actuaries are available to discuss the contents of this report with you.

Since your public agency has 100 or fewer active miscellaneous employees in the applicable category (Miscellaneous or Safety), your proposed plan would be required to participate in the Miscellaneous Pool Risk Pool. The following valuation report provides specific information for your proposed PEPRA Miscellaneous Plan, including the development of your pooled employer contribution rate, a discussion of the potential volatility of future required contributions and other risks associated with the proposed plan, and an appendix with plan provisions and assumptions.

In the event your public agency elects to contract for CalPERS membership, your employees will be entitled to retirement benefits as provided by CalPERS under the Public Employees' Retirement Law. The contract for CalPERS membership will specify that, to the extent, if any, your employees may claim entitlement to additional benefits resulting from prior membership in a different retirement plan, such benefits will be the responsibility of your agency alone, and not of CalPERS.

**Required Contributions**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2024-25	7.87%	\$0	7.75%
2025-26	7.96%	\$0	7.75%
<i>Projected Results</i>			
2026-27	8.0%	\$0	TBD

The rates shown above will be in effect unless there are further benefit or funding changes. If the membership or asset information is significantly different at the actual contract date, or if the actual contract effective date is delayed beyond the proposed effective date of May 31, 2025 by more than 90 days, the employer contribution rates shown above may have to be recalculated. The contribution rates shown above were based on the results of the June 30, 2022 and June 30, 2023 valuations.

The Employer Amortization of Unfunded Accrued Liability will be invoiced monthly, in an amount equal to one-twelfth of the annual amount, beginning the July following the contract date. As such, the FY 2025-26 payment of \$0 assumes a contract date during FY 2024-25. The total dollar amount of Employer Normal Cost contributions for FY 2024-25 will depend on the number of applicable payroll reporting periods during the Fiscal Year.

In accordance with PEPRA, the member contribution rates shown above are set at 50% of the expected normal cost rate for the benefits that will apply to your PEPRA Miscellaneous Plan during the fiscal years provided. Note that the member contribution rate may change over time if the total normal cost for PEPRA members fluctuates by more than 1% of payroll in future valuations.

## Risk Analysis

The actuarial calculations supplied in this communication are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from year to year. So, contribution rates will fluctuate, especially due to fluctuations in investment return.

The actuarial methods and assumptions used in determining your rate can be found in Section 2, Appendix A. A list of class 1 benefit provisions used in determining your rate is included in Section 1 of the report. A description of these provisions can be found in Section 2, Appendix B.

Please see the Risk Analysis section of this report for a discussion of factors that can lead to volatility in actuarial valuation results, including required contributions, in the future.

If your agency would like to consider other benefit formulas or other combinations of benefit provisions, please contact us.

Sincerely,



Eddie W. Lee, ASA, EA, FCA, MAAA  
Senior Actuary, CalPERS



Randall Dziubek, ASA, MAAA  
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA  
Chief Actuary, CalPERS



**New Agency  
Actuarial Valuation  
as of May 31, 2025**

**For the  
Proposed PEPRA Miscellaneous Plan of the  
Alameda Local Agency Formation  
Commission,  
2% @ 62 PEPRA Miscellaneous Formula  
with  
3-year Final Average Compensation and  
0% Prior Service**

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**Section 2 – Risk Pool Actuarial Valuation Information**



# **Section 1**

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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## **Plan Specific Information for the Proposed PEPRA Miscellaneous Plan of the Alameda Local Agency Formation Commission**

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## Actuarial Certification

This report was prepared in order to provide the employer with information about the cost of benefits and the contributions required in order to assist in the decision as to whether or not to contract for the benefits. Use of this report for other purposes is inappropriate.

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

### Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA  
Deputy Chief Actuary, Valuation Services, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA  
Chief Actuary, CalPERS

### Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the proposed PEPRA Miscellaneous Plan of the Alameda Local Agency Formation Commission and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Alameda Local Agency Formation Commission, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Pool to which the plan would belong.



Eddie W. Lee, ASA, EA, FCA, MAAA  
Senior Actuary, CalPERS

## **Highlights and Executive Summary**

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## Introduction

This report presents the results of the May 31, 2025 new agency actuarial valuation of the PEPRA Miscellaneous Plan of the Alameda Local Agency Formation Commission of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal years (FY) 2024-25 and 2025-26 if the Alameda Local Agency Formation Commission elects to contract with CalPERS for the proposed pension benefits with a contract start date of May 31, 2025.

## Purpose of Section 1

This Section 1 report for the proposed PEPRA Miscellaneous Plan of the Alameda Local Agency Formation Commission of CalPERS was prepared by the Actuarial Office. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this plan as of May 31, 2025;
- Determine the minimum required employer contributions for this plan for FY July 1, 2024 through June 30, 2025 and July 1, 2025 through June 30, 2026;
- Determine the required member contribution rate for FY July 1, 2024 through June 30, 2025 and July 1, 2025 through June 30, 2026 for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of May 31, 2025 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is required.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

### Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

## Required Contributions

	Fiscal Year
<b>Required Employer Contributions</b>	<b>2025-26</b>
Employer Normal Cost Rate	7.96%
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount <sup>1</sup>	
1) Monthly Payment	\$0
Or	
2) Annual Prepayment Option*	\$0
<b>Required PEPRA Member Contribution Rates</b>	<b>7.75%</b>
<p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</p> <p>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</p>	

	Fiscal Year 2024-25	Fiscal Year 2025-26
<b>Development of Normal Cost as a Percentage of Payroll<sup>1</sup></b>		
Base Total Normal Cost for Formula	15.62%	15.71%
Surcharge for Class 1 Benefits <sup>2</sup>		
None	0.00%	0.00%
Plan's Total Normal Cost	15.62%	15.71%
Offset Due to Employee Contributions	7.75%	7.75%
Employer Normal Cost Rate	7.87%	7.96%
Projected Payroll for the Contribution Fiscal Year <sup>3</sup>	\$261,247	\$268,561
<b>Estimated Employer Contributions Based on Projected Payroll</b>		
Plan's Estimated Employer Normal Cost <sup>4</sup>	TBD	\$21,377
Plan's Payment on Amortization Bases	0	0
Estimated Total Employer Contribution	TBD	\$21,377

<sup>1</sup> The Monthly UAL Payment will be charged beginning the July following the contract date. As such, the FY 2025-26 monthly UAL payment of \$0 assumes a contract date during FY 2024-25. This payment is only to pay for prior service, if any.

<sup>2</sup> Appendix C of Section 2 contains the list of class 1 benefits with their corresponding surcharges.

<sup>3</sup> Payroll from the prior year is assumed to increase by the 2.8% payroll growth assumption.

<sup>4</sup> The Plan's Estimated Employer Normal Cost for FY 2024-25 will depend on the number of applicable payroll reporting periods during the Fiscal Year. The FY 2025-26 amount assumes payments made for the entire Fiscal Year.

## Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **funded ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	May 31, 2025
1. Present Value of Projected Benefits (PVB)	\$267,965
2. Entry Age Normal Accrued Liability (AL)	0
3. Plan's Market Value of Assets (MVA)	0
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	0
5. Funded Ratio [(3) / (2)]	N/A

A funded ratio of 100% (UAL of \$0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	Current Assumption	1% Higher Average Return
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	\$0	\$0	\$0
2. Market Value of Assets (MVA)	0	0	0
3. Unfunded Accrued Liability (UAL) [(1) - (2)]	\$0	\$0	\$0
4. Funded Ratio [(2) / (1)]	N/A	N/A	N/A

The "Risk Analysis" section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

## Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2023-24 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2023-24)				
Fiscal Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Normal Cost %	7.96%	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

## Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of May 31, 2025. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

This actuarial valuation report reflects fund investment return through June 30, 2023 as well as statutory changes, regulatory changes and board actions through January 2024.

The 2023 annual benefit limit under the Internal Revenue Code (IRS) section 415(b) and annual compensation limits under IRS section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95<sup>th</sup> percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a deduction in the discount rate.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.



## **Liabilities and Contributions**

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• <b>Schedule of Plan's Amortization Bases</b>	<b>9</b>
• <b>Amortization Schedule and Alternatives</b>	<b>10</b>
• <b>PEPRA Member Contribution Rates</b>	<b>12</b>

# Development of the Plan's UAL

	May 31, 2025
1. Plan's Accrued Liability	\$0
2. Plan's Market Value Assets	\$0
3. Plan's Unfunded Accrued Liability (UAL) [(1) - (2)]	\$0

## Schedule of Plan's Amortization Bases

The schedule of the plan's amortization bases is below. Amortization bases represent sources of Unfunded Accrued Liability (UAL).

- The assets, liabilities, and funded status of the plan are measured as of the date the agency joins CalPERS: May 31, 2025.
- The required employer contributions determined by the valuation are for Fiscal Year 2025-26.

Reason for Base	Date Established	Ramp Up/Down 2025-26	Escalat- ion Rate	Amorti- zation Period	Balance 05/31/25	Payment 2024-25	Balance 6/30/25	Scheduled Payment 2025-26
PRIOR SERVICE	05/31/25	No Ramp	0.000%	N/A	\$0	\$0	\$0	\$0
TOTAL					\$0	\$0	\$0	\$0

If the total UAL is negative (i.e., plan has a surplus), the scheduled payment is \$0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

## Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

## Amortization Schedule and Alternatives (continued)

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2025	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2026						
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
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6/30/2038						
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6/30/2040						
6/30/2041						
6/30/2042						
6/30/2043						
6/30/2044						
<b>Totals</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Interest Paid</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Estimated Savings</b>				<b>N/A</b>		<b>N/A</b>

## PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members ... shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2024, based on 50% of the total normal cost rate as of the June 30, 2022 valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2024			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
TBD	Miscellaneous PEPRA Level	15.43%	7.75%	15.62%	0.19%	No	7.75%

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023 valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2025			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
TBD	Miscellaneous PEPRA Level	15.43%	7.75%	15.71%	0.28%	No	7.75%

## **Risk Analysis**

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• <b>Discount Rate Sensitivity</b>	<b>15</b>
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## Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2043.

Assumed Annual Return FY 2023-24 through 2042-43	Projected Employer Contributions				
	2026-27	2027-28	2028-29	2029-30	2030-31
<b>3.0% (5<sup>th</sup> percentile)</b>					
Normal Cost Rate	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Contribution	\$0	\$3	\$44	\$160	\$390
<b>10.8% (95<sup>th</sup> percentile)</b>					
Normal Cost Rate	8.2%	8.4%	8.6%	8.3%	8.5%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2023-24 on the FY 2026-27 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2026-27.

Assumed Annual Return for Fiscal Year 2023-24	Required Employer Contributions	Projected Employer Contributions
	2025-26	2026-27
<b>(17.2)% (2 standard deviation loss)</b>		
Normal Cost Rate	7.96%	8.0%
UAL Contribution	\$0	\$0
<b>(5.2)% (1 standard deviation loss)</b>		
Normal Cost Rate	7.96%	8.0%
UAL Contribution	\$0	\$0

- Without investment gains (returns higher than 6.8%) in year FY 2024-25 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2023-24.



## Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of May 31, 2025 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

### Sensitivity to the Real Rate of Return Assumption

As of May 31, 2025	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
Price Inflation	2.3%	2.3%	2.3%
<b>Real Rate of Return</b>	<b>3.5%</b>	<b>4.5%</b>	<b>5.5%</b>
a) Total Normal Cost	19.65%	15.71%	12.71%
b) Accrued Liability	\$0	\$0	\$0
c) Market Value of Assets	\$0	\$0	\$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$0	\$0	\$0
e) Funded Ratio	N/A	N/A	N/A

### Sensitivity to the Price Inflation Assumption

As of May 31, 2025	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
<b>Price Inflation</b>	<b>1.3%</b>	<b>2.3%</b>	<b>3.3%</b>
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.56%	15.71%	14.29%
b) Accrued Liability	\$0	\$0	\$0
c) Market Value of Assets	\$0	\$0	\$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$0	\$0	\$0
e) Funded Ratio	N/A	N/A	N/A

## Mortality Rate Sensitivity

The following table looks at the change in the plan costs and funded ratio as of May 31, 2025 under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of May 31, 2025	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.98%	15.71%	15.46%
b) Accrued Liability	\$0	\$0	\$0
c) Market Value of Assets	\$0	\$0	\$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$0	\$0	\$0
e) Funded Ratio	N/A	N/A	N/A

## Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables, and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of all CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

<b>Ratio of Retiree Accrued Liability to Total Accrued Liability</b>	<b>May 31, 2025</b>
1. Retired Accrued Liability	0
2. Total Accrued Liability	0
3. Ratio of Retiree AL to Total AL $[(1) \div (2)]$	N/A

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2022, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

<b>Support Ratio</b>	<b>May 31, 2025</b>
1. Number of Actives	2
2. Number of Retirees	0
3. Support Ratio $[(1) \div (2)]$	N/A

## Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

### Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	May 31, 2025
1. Market Value of Assets	\$0
2. Payroll	\$261,247
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.0
4. Accrued Liability	\$0
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.0

## Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of May 31, 2025. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability <sup>1</sup>	\$0	\$0
2. Market Value of Assets (MVA)	0	0
3. Unfunded Termination Liability [(1) – (2)]	\$0	\$0
4. Funded Ratio [(2) ÷ (1)]	N/A	N/A

<sup>1</sup> The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

## Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of “benefit entitlements” calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index<sup>1</sup> discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis		May 31, 2025
Discount Rate		4.82%
1. Accrued Liability <sup>2</sup> – Low-Default-Risk Basis (LDROM)		
a) Active Members		\$0
b) Transferred Members		0
c) Separated Members		0
d) Members and Beneficiaries Receiving Payments		0
e) Total		\$0
2. Market Value of Assets (MVA)		0
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]		\$0
4. Unfunded Accrued Liability – Funding Policy Basis		0
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]		\$0

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan’s benefit obligations (see [Funded Status – Termination Basis](#)), nor is it appropriate for assessing the need for future contributions (see [Funded Status – Funding Policy Basis](#)).

<sup>1</sup> This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees’ Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

<sup>2</sup> If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

## Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	May 31, 2025
Reported Payroll	\$261,247
Projected Payroll for Contribution Purposes	\$268,561
Number of Members	
Active	2
Transferred	0
Separated	0
Retired	0

## List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

### Plan's Major Benefit Options

Shown below is a summary of your agency's proposed major optional benefits. A description of principal standard and optional plan provisions can be found in Appendix B of Section 2.

Benefit Group	
Benefit Provision	Misc
Benefit Formula	2% @ 62
Social Security Coverage Full/Modified	No Full
Employee Contribution Rate	7.75%
Final Average Compensation Period	Three Year
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	No
Pre-Retirement Death Benefits Optional Settlement 2W	Yes
1959 Survivor Benefit Level	Level 4
Special	No
Alternate (firefighters)	No
Post-Retirement Death Benefits Lump Sum	\$2000
Survivor Allowance (PRSA)	No
COLA	2%

\* 1959 Survivor Benefit is provided by a separate program and will be billed separately.

## **Section 2**

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

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**Section 2 may be found on the CalPERS website  
([www.calpers.ca.gov](http://www.calpers.ca.gov)) in the Forms and  
Publications section**





### AGENDA REPORT

September 11, 2025

Item No. 7

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT: Draft Chart of Accounts for LAFCO Financial System**

The Alameda Local Agency Formation Commission (LAFCO) will receive a report on the draft Chart of Accounts (CoA) prepared in support of the Commission's transition to full administrative and fiscal independence from Alameda County. The new CoA will establish a dedicated financial reporting framework tailored to LAFCO's operations, replacing the County's system beginning January 1, 2026.

The Commission is asked to review the draft CoA and provide direction to staff regarding next steps. Final adoption will ensure that LAFCO is positioned to independently budget, account for, and report all revenues and expenditures in alignment with state requirements and Commission priorities.

### Background

As part of the Commission's transition to administrative and fiscal independence from Alameda County, staff is working with LAFCO's newly contracted bookkeeper to establish an updated Chart of Accounts (CoA). The new CoA will replace the County's accounting framework and provide LAFCO with an independent, transparent, and flexible financial reporting structure beginning January 1, 2026.

The development of a CoA is a critical step in implementing the Commission's approved Independence Plan (Phase II). A dedicated CoA will ensure LAFCO has the ability to:

- Accurately budget, track, and report expenditures and revenues separate from County accounts;
- Meet state requirements for transparent public agency accounting;
- Align financial reporting with LAFCO's operational structure, including staffing, service reviews, and Commission operations; and
- Support long-term planning, audits, and internal controls.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

## Discussion

The draft CoA has been prepared in collaboration with the bookkeeper and reviewed by staff. The structure follows standard government accounting practices but has been tailored to reflect LAFCO's specific functions and independence objectives.

Key elements include:

- **General Fund Accounts** for salaries, benefits, and administrative operations.
- **Salaries and Benefits:** Presented in greater detail to ensure more precise tracking of payroll, retirement, and health-related costs as these functions transition from the County to LAFCO's independent providers.
- **Education Accounts** for stipends, meeting expenses, and travel reimbursements.
- **Services and Supplies:** Accounts have been grouped together more logically (e.g., professional services, consultants, and operating expenses), which results in a slightly different order compared to the County's format.
- **Fund Balance & Reserves** accounts to track contingency reserves and long-term fiscal stability.

The CoA will also provide for clearer tracking of payroll and benefits costs, as those functions transition from Alameda County Human Resources and Auditor-Controller to LAFCO's independent payroll provider and benefits broker.

## Next Steps

- Finalize the draft CoA in consultation with the Policy and Budget Committee (late September/early October).
- Coordinate with County Treasurer to reconcile LAFCO balances and close County accounts by December 31, 2025.
- Begin using the new CoA for all transactions effective January 1, 2026.
- Develop LAFCO accounting policies.
- Provide a year-end reconciliation report in mid-2026 to ensure alignment between County and LAFCO records during the transition year.

## **Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Receive the draft Chart of Accounts prepared for Alameda LAFCO's independence transition; and direct staff to work with the Policy and Budget Committee and the bookkeeper to finalize the CoA for implementation on January 1, 2026.

### Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed.

## **Recommendation**

It is recommended the Commission proceed with Alternative Action One.

## **Procedures**

This item has been placed on Alameda LAFCO's agenda as part of the business calendar. The following procedures are recommended in consideration of this item:

1. Receive verbal presentation from staff unless waived.
2. Invite any comments from the public.
3. Provide feedback on the item as needed.

Respectfully,



Rachel Jones  
Executive Officer

Attachment:

1. Draft Chart of Accounts

**Blank for Photocopying**

# ALAMEDA LOCAL AGENCY FORMATION COMMISION

Regional Service Planning | Subdivision of the State of California

Current Chart of Accounts		FY 2024-2025	
Expense Ledger		Adopted	Projected
<b>Salary and Benefit Costs</b>			
<u>Account</u>	<u>Description</u>		
60001	Staff Salaries	320,565	320,565
-	Employee Benefits and Retirement	144,254	144,254
		<b>464,819</b>	<b>464,819</b>
<b>Service and Supplies</b>			
<u>Account</u>	<u>Description</u>		
-	Intern	-	-
610077	Postage	500	-
610141	Copier	500	-
610191	Pier Diems	10,000	10,000
610211	Mileage/Travel	2,000	1,000
610461	Training (Conferences and Workshops)	2,500	2,500
610241	Records Retention	360	360
610261	Consultants	200,000	200,000
610261	Planning Services	5,000	-
610261	Legal Services	20,000	-
610261	Bookkeeping		
610261	Payroll		
610261	SALC Grant Charges		
610311	CAO/CDA - County - Services	250	250
610312	Audit Services	10,000	10,000
610351	Memberships	12,509	12,509
610421	Public Notices	3,000	1,500
610441	Assessor - County - Services	250	250
610461	Special Departmental	2,000	2000
620041	Office Supplies	3,000	1,000
		<b>271,869</b>	<b>241,369</b>
<b>Internal Service Charges</b>			
<u>Account</u>	<u>Description</u>		
619991	Office Lease/Rent/CDA	50,550	15,500
630061	Information Technology	28,000	28,000
630081	Risk Management (General Liability)	3,300	3,300
		<b>81,850</b>	<b>46,800</b>
<b>Contingencies</b>		<b>0</b>	<b>-</b>
<u>Account</u>	<u>Description</u>		
-	Operating Reserve	-	-
		-	-
	<b>EXPENSE TOTALS</b>	<b>818,538</b>	<b>752,988</b>

Proposed Chart of Accounts		FY 2025-2026
		Proposed
<u>Account</u>	<u>Description</u>	
<b>6-1000</b>	<b>Salary and Benefit Costs</b>	
6-1100	Salaries	353,565
6-1200	Retirement	194,254
6-1300	Other Employee Benefits	
6-1400	Payroll Taxes	
6-1500	Payroll Fees	1,875
6-1600	Group Insurance	
6-1700	Unemployment Insurance	
6-1800	Workers Comp Insurance	
		<b>549,694</b>
<b>6-2000</b>	<b>Professional Services</b>	
6-2100	Planning Services	5,000
6-2200	Legal Services	35,000
6-2300	Bookkeeping	15,000
6-2400	SALC Grant Charges	
6-2500	County Services	500
6-2600	Audit Services	10,000
6-2700	Information Technology	28,000
6-2800	Consultants	200,000
6-2900	Communications	5,000
<b>6-3000</b>	<b>Administrative Services</b>	
6-3100	Office Supplies	3,000
6-3200	Postage	500
6-3300	Copier	500
6-3400	Records Retention	375
6-3500	Office Lease/Rent	18,500
6-3600	General Liability	4,500
6-3700	Miscellaneous/Fees	2,000
6-3800	Public Notices	3,000
6-3900	Office Equipment	
<b>6-4000</b>	<b>Education and Travel</b>	
6-4100	Commissioner Stipends	10,000
6-4200	Mileage and Travel	2,500
6-4300	Memberships	14,786
6-4400	Traing and Workshops	3,000
		<b>361,161</b>
<b>Contingencies</b>		<b>0</b>
<u>Account</u>	<u>Description</u>	
-	Operating Reserve	-
		-
	<b>EXPENSE TOTALS</b>	<b>910,855</b>
		<b>177</b>

Revenue Ledger			FY 2024-2025	
			Adopted	Actuals
Intergovernmental				
Account	Description			
-	Agency Contributions			
	County of Alameda		169,513	169,513
	Cities		169,513	169,513
	Special Districts		169,513	169,513
			508,538	508,539
Service Charges				
-	Application Fees		30,000	10,750
-	SALC Grant Funds			
Investments				
-	Interest		10,000	13,500
Fund Balance Offset			270,000	270,000
REVENUE TOTALS			818,538	802,789

<b>OPERATING NET</b>	(0)	49,801
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UNRESTRICTED FUND BALANCE

Revenues			FY 2025-2026
			Proposed
Account	Description		
4-1000	Agency Contributions		
4-1100	County of Alameda		190,952
4-1200	Cities		190,952
4-1300	Special Districts		190,952
			572,855
4-2000	Service Charges		
4-2100	Application Fees		30,000
4-2200	SALC Grant Funds		
8-1000	Investments		
8-1100	Interest		13,000
Fund Balance Offset			295,000
REVENUE TOTALS			910,855

OPERATING NET	(0)
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UNRESTRICTED FUND BALANCE



### AGENDA REPORT

September 11, 2025

Item No. 9

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** Executive Officer's Report

The Commission will receive an update from the Alameda LAFCO Executive Officer. The report is being presented for discussion and feedback only.

### Information

#### *White Paper – Best Practices and Resources for Drinking Water Service Reviews (August 2025)*

The white paper titled, *Best Practices and Resources for Drinking Water Service Reviews*, highlights strategies for LAFCOs to strengthen Municipal Service Reviews (MSRs) of drinking water services. Mandated by the Cortese-Knox Hertzberg Local Government Reorganization Act of 2000, MSRs serve as critical tool for evaluating water service providers, ensuring sustainable access, and supporting informed boundary and policy decisions. The paper emphasizes the importance of conducting countywide or regional reviews to capture a full picture of service delivery, identify gaps, and evaluate opportunities for collaboration or consolidation.

In addition to outlining best practices, such as including private and wholesale water providers, engaging the State Water Board's Division of Drinking Water, and proactively sharing findings with local agencies, the paper compiles valuable data resources to support robust analysis. These include state databases (e.g., California Drinking Water Watch), annual risk assessments, and mapping tools that highlight disadvantaged communities and climate vulnerabilities.

Examples from LAFCOs across the state demonstrate how these practices can be applied to real-world challenges, from addressing failing systems to integrating equity considerations into planning. By equipping LAFCOs with practical guidance, tools, and lessons learned, the white paper highlights how MSRs can move beyond compliance to become proactive instruments for regional resiliency, equitable service delivery, and long-term sustainability in drinking water services.

## Transfer of LAFCO Positions to Community Development Agency

On March 11, 2025, the Alameda County Board of Supervisors considered a set of technical budget adjustments recommended by the County Administrator. Among these adjustments was the transfer of three positions specific to Alameda LAFCO – the Executive Officer, Analyst, and Clerk – from the County Administrator’s Office to the Community Development Agency (CDA).

These positions were originally established as unique classifications to strengthen LAFCO’s independence while still receiving personnel and administrative support from the County. Transferring the classifications to CDA is intended to streamline and centralize support services already provided to LAFCO at its Hayward facility. The CDA Director, acting as designee of the County Administrator, would continue to serve as the County’s point of oversight under the current Memorandum of Understanding (MOU) with Alameda LAFCO.

This realignment is part of a broader set of County adjustments aimed at consolidating staff resources, improving administrative efficiency, and aligning budgeted revenues with current-year allocations.

### Attachments:

1. White Paper, *Best Practices and Resources for Drinking Water Service Reviews (August 2025)*
2. Alameda County Board of Supervisors Staff Report: *Transfer of LAFCO Positions, (March 2025)*



# Best Practices and Resources for Drinking Water Service Reviews

The development of Municipal Service Reviews (MSRs) is a critical function of county Local Agency Formation Commissions or LAFCOs which are tasked with ensuring logical service boundaries. An MSR is a comprehensive review of one or more governmental services such as fire protection, water, sewer or flood control within a designated geographic area. These reviews can be conducted at the agency level (e.g. individually for each special district), regionally (e.g. south county) or at the county level. MSRs are mandated by the Cortese-Knox-Hertzberg Act of 2000 and must be conducted prior to establishing or updating any sphere of influence within a LAFCOs' jurisdiction.

The MSR process provides the opportunity to proactively review all the covered services provided within a county and identify opportunities to improve service delivery, enhance efficiency, and ensure long-term sustainability. For each reviewed service provider, an MSR considers the history, role, and financial performance of the local agency to help guide smart, long-term planning decisions for our communities. In doing so, MSR development also serves as a forum for public participation, fostering conversations on the quality of life in, and future of, our communities. Ensuring safe, sustainable, and affordable drinking water services is a critical consideration in these conversations and an important topic covered by MSRs.

While the complexity of drinking water regulation and the sheer number of service providers can complicate MSR development for water services, for these same reasons MSRs are an important avenue for ensuring comprehensive regional drinking water planning. Inspired by a session at the October 2024 CALAFCO conference, this document provides best practices and data resources to support LAFCOs in developing drinking water related MSRs. By equipping LAFCOs with clear guidance, sector specific resources, and examples, MSRs can become powerful tools to identify service gaps, promote equitable access, and inform decisions that directly impact the health and well-being of California communities.

## Best Practices

Many straightforward best practices can help ensure an MSR accomplishes these goals. These include:

### ***Conduct countywide regional reviews of water services:***

While MSRs can be conducted for specific drinking water service providers or sub-regionally within a county, there are important benefits to conducting these reviews at the county level. Among these benefits are helping to paint a complete picture of water service delivery in the region to support smarter, more integrated decision-making and ensure a clear picture of any service gaps. When a MSR is completed for multiple providers together, there are also more opportunities to consider the strengths and weaknesses of these entities in relation to one another. This then allows for the easier identification of potential solutions including opportunities for consolidation and collaboration between providers (*See “The many benefits of countywide Municipal Service Reviews” below for more examples*).

### ***Consider all water service providers including private water companies, Mobile Home Parks and wholesale providers:***

LAFCOs have jurisdiction over all drinking water providers that are either general purpose governments (including subsidiary districts) or independent special districts. It is these bodies for which they are required to develop MSRs. Nonetheless, in most counties there also exist other types of drinking water providers (*See “Who provides drinking water?”*). While LAFCOs are not required to include these systems in their MSRs,

they may choose to do so and have the authority to request information from private water providers for this purpose under California Government Code §56430(7)(d). Including these providers is important to get a complete picture of drinking water services at any scale and can help make sure a county is not caught unaware in the case of system failures or other unexpected events. For the same reason it is also helpful to include wholesale water providers, whose functioning has direct implications for local retail providers.

#### ***Share completed reviews with all reviewed service providers:***

Any plan is only as good as its implementation. While LAFcos cannot force local service providers to take up their recommendations, it is important that they are at least aware of the findings. To maximize communication, LAFcos should not just proactively distribute the draft and finalized MSRs but also invite all reviewed districts to the relevant public hearings and consider presenting at the board meetings of reviewed districts as well (including the County Board of Supervisors for subsidiary systems).

#### ***Share completed reviews with other county officials:***

Counties play an important role in drought and emergency planning and often also regulate very small water systems. Completed MSRs should be shared with the relevant offices and officials including the standing drought task force and any offices acting as the Local Primacy Agency for systems serving less than 200 service connections.

#### ***Ensure communication with the Division of Drinking Water:***

All public water systems are regulated under the Safe Drinking Water Act. Most of these systems are regulated directly by the State Water Resources Control Board's Division of Drinking Water (DDW). DDW has regional engineers that ensure compliance with water quality and reporting requirements, issue violations, and support short- and long-term solutions for failing systems. These regional engineers are an important source of information in developing MSRs. Importantly, they are also an audience for MSR findings. While they may not always be aware of institutional challenges outside of the scope of water quality, supply, or infrastructure, with this information they can proactively monitor and offer resources to systems based on their specific needs.

### **The many benefits of countywide Municipal Service Reviews:**

- **Regional Perspective and Comparison:** A countywide MSR allows a LAFco to analyze all water districts side by side, highlighting disparities, redundancies, overlaps that might be missed in isolated reviews.
- **Clear Identification of Service Gaps:** Considering all service providers collectively helps identify where service gaps may exist while also helping to identify potential service providers for those areas.
- **Efficiency and Consistency:** Completing one comprehensive report streamlines staff time, reduces duplication of effort, and ensures consistency in data analysis, evaluation criteria, and recommendations across districts.
- **Opportunities for Collaboration:** Maximally inclusive MSRs can help identify more opportunities for shared services and regionalization between water providers within a county.
- **Stronger Policy Insights:** A countywide MSR provides a broader understanding of system-wide challenges like drought resilience, groundwater management, infrastructure needs, and access equity, which are often regional in nature.
- **Improved Support for Statewide Goals:** A holistic review is better aligned with state priorities such as the Sustainable Groundwater Management Act (SGMA) and the Human Right to Water, as it can identify systemic issues across multiple jurisdictions.
- **Enhanced Stakeholder Engagement:** A single, comprehensive process allows for more coordinated outreach with local agencies, communities, and disadvantaged populations, fostering collaboration and shared problem-solving.

### ***Proactively look to address review recommendations:***

As noted above, MSR findings themselves are not enforceable. A LAFCo, however, is authorized and encouraged under the Cortese-Knox-Hertzberg Act to initiate jurisdictional changes including the formation, consolidation, and dissolution of special districts, when appropriate and consistent with a recommendation within a prepared MSR. There are also other potential opportunities where LAFCo can encourage engagement with MSR findings and recommendations. Most commonly these arise when a local agency submits a request for a revision to their sphere of influence or service boundaries. As a part of the review and approval process for such applications, LAFCo may choose to impose prerequisites or contingencies. These are important opportunities to implement MSR recommendations that should be leveraged whenever possible.

### ***Incorporate deadlines and incentives where possible:***

LAFCOs can include deadlines as part of their MSR recommendations to advance certain actions. For example, updating their website to comply with state law or requesting the submittal of a strategic plan due to significant concerns raised in the MSR. LAFCOs may also choose to introduce incentives for completing certain tasks, such as waiving filing fees if subject agencies submit applications for annexation within an identified timeline.

### ***Develop and follow a regular schedule for MSRs:***

MSRs are to be conducted at least every five years or as necessary to inform sphere of influence determinations. Ensuring that these reviews are done on a regular basis will provide a benchmark to monitor the quality and sustainability of water services and can help spot challenges before they negatively impact operations (for example, growing vacancies on a governing board). It can also simplify and streamline the process by ensuring more consistent communication with local agencies and avoiding the need for large-scale overhauls of the previous report. Many LAFCOs have adopted multi-year work plans to ensure that service reviews are conducted for each local agency at least once within the five-year cycle.

## **Who provides drinking water?**

California counts more than 2,800 community water systems or drinking water systems that serve more than 15 residential service connections (or more than 25 people) year-round. Additionally, the state has more than 4,400 Transient Non-Community and Non-Transient Non-Community water systems which serve non-residential systems meeting the same service thresholds. Collectively these systems are known as public water systems and are regulated under the Federal Safe Drinking Water Act. The remainder of residents receive their drinking water from unregulated private domestic wells or from state small water systems (serving between 5 and 14 connections) which are regulated at the county level.

To make matters more complicated, these systems are operated by a diverse array of water providers. More than 28 different types of entities operate drinking water systems in California. Most commonly these include local agencies (e.g. cities, independent special districts, dependent special districts, and school districts), Investor-Owned Utilities, Mutual Water Companies, Tribal Governments, and Mobile Home Parks. Many remote facilities also have their own water systems which can also be publicly or privately owned, for example, agricultural packing houses, state prisons, industrial complexes and national park facilities. Roughly 42% of community water systems are publicly owned whereas 58% are privately owned. Thus, in addition to the vital services provided by city and special district-run agencies across the state, private service providers also play a significant role in California's drinking water landscape.

The number and diversity of water providers in the state highlights the importance of comprehensive regional planning to ensure safe, affordable, and sustainable drinking water services. While LAFCOs are not required to include non-local agency service providers in their MSRs, they may choose to do so and specifically have the authority to request information from Mutual Water Companies for this purpose. There is an opportunity for LAFCOs to “connect the drops” by analyzing these water organizations through MSRs since more than half of the water systems in California do not have mandatory reviews.

# Data and Resources

Besides requesting documents and information from water providers under review, there are many publicly available data resources that provide relevant information about regulated water systems and their operations that can be incorporated into MSRs. These include:

Resource, Description & Link	Potential Uses
<b>California Drinking Water Watch</b> The state's safe drinking water information system database. It includes all the regulatory and water quality information that the state then reports to the U.S. Environmental Protection Agency under the Safe Drinking Water Act. The database includes all active public water systems by county. <a href="https://sdwis.waterboards.ca.gov/PDWW/">https://sdwis.waterboards.ca.gov/PDWW/</a>	Generating a list of all public water systems within a county; Finding contact information for a water system; Determining the number of service connections and population served by a system; Reviewing mandatory annual Consumer Confidence reports submitted by water systems; Determining if a system has been issued a violation or enforcement action by state regulators.
<b>Annual Drinking Water Needs Assessment Risk Assessment of Public Water Systems</b> An annual review of California's progress on implementing the Human Right to Water (AB 685). The risk assessment for public water systems is one of four components of the needs assessment. This assessment assigns public water systems a status as either not at-risk, potentially at-risk, at-risk, or failing based on a detailed set of criteria and metrics, all of which are publicly available for use. Notably, water systems serving more than 10,000 people are excluded from this analysis. <a href="https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/saferdashboard.html">https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/saferdashboard.html</a>	Collecting data on individual water system performance related to water quality, water supply, and affordability; Identifying which systems in a county are failing, at-risk or potentially at-risk.
<b>SAFER Project and Funding Snapshot Tool</b> You can now find information about active state support (grants and technical assistance) provided to individual water systems that are considered failing or at-risk using the project and funding snapshot tool. Among the information provided is the total project amount, start date, and status. <a href="https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/engagement_unit.html">https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/engagement_unit.html</a>	Identifying planning, construction, and technical assistance grants awarded to individual water systems; Identifying contracted Technical Assistance providers within a county.
<b>California Drinking Water Institutions</b> This dataset identifies the institutional or governance type for all community water systems in the state. For example, whether a water system is a Mutual Water Company. <a href="https://datadryad.org/stash/dataset/doi:10.25338/B8KP92">https://datadryad.org/stash/dataset/doi:10.25338/B8KP92</a>	Determining the institutional type for a specific water system; Identifying all of a specific type of water system within a county.
<b>Drinking Water Systems Outreach Tool</b> This is a mapping tool that displays all regulated drinking water systems plus best available locations for state small water systems (water systems serving between 5 and 14 service connections). The map also includes CalEnviroScreen score data, data for the state's aquifer risk detailing groundwater conditions, and identifies Disadvantaged Communities (DACs) per the water code definition. <a href="https://gispublic.waterboards.ca.gov/portal/apps/webappviewer/index.html?id=70d27423735e45d6b037b7fbaea9a6a6">https://gispublic.waterboards.ca.gov/portal/apps/webappviewer/index.html?id=70d27423735e45d6b037b7fbaea9a6a6</a>	Identifying state small water systems; Identifying water systems that serve disadvantaged communities; Identifying areas with groundwater concerns; Considering opportunities for water system partnerships and consolidation.
<b>Division of Drinking Water Regional Engineers</b> Regulates public water systems for compliance with the Safe Drinking Water Act. Regional engineers cover one or more counties and are the Water Board's primary regulatory contact for all systems within their district. These staffers communicate regularly with each water system and conduct field visits. Map/contact information: <a href="https://www.waterboards.ca.gov/drinking_water/programs/documents/ddwem/DDWdistrictofficesmap.pdf">https://www.waterboards.ca.gov/drinking_water/programs/documents/ddwem/DDWdistrictofficesmap.pdf</a>	Determining the compliance status of individual water systems; Collecting information about any relevant state grants or ongoing improvement projects.
<b>Water Shortage Vulnerability Tool</b> A new resource from the Department of Water Resources intended to support counties with their drought resilience planning under SB 552. While the tool only covers water systems serving fewer than 3,000 connections, it provides a robust set of climate and drought indicators for these systems. In addition to localized climate change projects the tool includes information about a systems infrastructure and recent drought impacts. Based on this data, each system is assigned a vulnerability score between 0 and 100. <a href="https://experience.arcgis.com/experience/ae1b4e3e41004f07b4901a7a3fa50637/page/Small-Water-Systems?org=DWR#data_s=id%3AdataSource_11-19418561f1e-layer-73-0%3A2378">https://experience.arcgis.com/experience/ae1b4e3e41004f07b4901a7a3fa50637/page/Small-Water-Systems?org=DWR#data_s=id%3AdataSource_11-19418561f1e-layer-73-0%3A2378</a>	Quantifying the drought vulnerability of water systems under review; Collecting data on system infrastructure and drought related challenges.

## Best practices in practice

Many California LAFCOs are leading the implementation of best practices to leverage MSRs as tools to identify service gaps, promote equitable access, and inform decisions that directly impact the health and well-being of California communities. Examples from around the state include:

- **Santa Cruz LAFCo** offers to attend any reviewed agency's board meetings after completing an MSR to summarize the findings and recommendations and answer questions.
- **Tulare County LAFCo** approved an applicant-initiated annexation for an industrial complex on the condition that a nearby disadvantaged unincorporated community be included to resolve the communities' longstanding water supply and quality challenges.
- **Napa LAFCo** adopted a countywide water and wastewater service review in 2020. This review mapped all community water systems in the county including Mutual Water Companies and other privately owned drinking water providers cataloging the populations and areas served by these systems. This was done at request of commissioners who wanted a complete picture of local water services to preempt any significant operating challenges or access issues.
- **San Diego LAFCo** initiates meet-and-greets with affected agencies at the start of a Municipal Service Review (MSR) and offers to attend board meetings and staff meetings throughout the process. This approach helps ensure ongoing communication with both agency boards and their staff during the development of the MSR.

## Further Reading

Dobbin & McBride (2024). "LAFCo and Water System Consolidation: Bridging the gap between local and state regulators to stop and reverse water system fragmentation". Available at: [https://bit.ly/LAFCO\\_systemconsolidation](https://bit.ly/LAFCO_systemconsolidation)

Dobbin & Fencel (2022). "Who governs California's drinking water Systems?". California WaterBlog. Available at: <https://californiawaterblog.com/2022/01/23/who-governs-californias-drinking-water-systems/>

Lai (2017). "Adopting County Policies Which Limit Public Water System Sprawl and Promote Small System Consolidation". Luskin Center for Innovation. Available at: [https://innovation.luskin.ucla.edu/wp-content/uploads/2019/03/Adopting\\_County\\_Policies\\_which\\_Limit\\_Public\\_Water\\_System\\_Sprawl\\_and\\_Promote\\_Small\\_System\\_Consolidation.pdf](https://innovation.luskin.ucla.edu/wp-content/uploads/2019/03/Adopting_County_Policies_which_Limit_Public_Water_System_Sprawl_and_Promote_Small_System_Consolidation.pdf)

Rural Communities Assistance Partnership (2022). "Regional Collaboration for Water and Wastewater Utilities". Available at: <https://online.flippingbook.com/view/329354245/4/>

**Author:** Kristin Dobbin

**Contact:** [kdbobbin@berkeley.edu](mailto:kdbobbin@berkeley.edu)

August 2025



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AGENDA \_\_\_\_\_ March 11, 2025

## C O U N T Y   A D M I N I S T R A T O R



SUSAN S. MURANISHI  
COUNTY ADMINISTRATOR

March 4, 2025

Honorable Board of Supervisors  
County of Alameda  
1221 Oak Street, Suite 536  
Oakland, CA 94612

Dear Board Members:

**SUBJECT: APPROVE TECHNICAL ADJUSTMENTS TO TRANSFER POSITIONS WITHIN THE FISCAL YEAR 2024-2025 APPROVED BUDGET; AND TO ALIGN PUBLIC SAFETY REALIGNMENT REVENUE WITH THE PROJECTED CURRENT-YEAR ALLOCATION**

Dear Board Members:

**RECOMMENDATION**

- A. Approve technical adjustments to transfer positions within the Board-Approved budget and to align budgeted public safety realignment revenue with the projected current-year allocation; and
- B. Authorize the Auditor-Controller to make the related budget adjustments.

**DISCUSSION/SUMMARY**

The County of Alameda ("County") Human Resource Services Department ("HRS") manages a myriad of employee benefits programs for County employees, including health and welfare, but not the County's wellness program. Currently, one vacant Employee Health Services Administrator position, whose duties include administration of the County's wellness program, is in the County Administrator's Office. Transferring the position into HRS will facilitate a cohesive approach to an integrated benefits program and initiatives that will not only enhance the physical health of participants, but also improve mental health, boost morale, and increase productivity.

Pursuant to the County's current Memorandum of Understanding with the Alameda Local Agency Formation Commission (LAFCo), the LAFCo Executive Officer reports to the County Administrator or designee. Following the transfer of LAFCo to the Community Development Agency (CDA) Hayward Facility, the CDA Director has been designated to act for the County Administrator. The LAFCo Executive Officer, LAFCo Analyst and LAFCo Clerk positions are unique classifications that were created to provide further independence to LAFCo and it is recommended that these positions be transferred to CDA to streamline and centralize support functions already provided to LAFCo by CDA.

It is also recommended that your Board authorize technical adjustments to align budgeted Public Safety Realignment Revenue with the projected current-year allocation and to offset eligible costs incurred by the Public Protection Program.

### **FINANCING**

Approval of the recommended technical budget adjustments and internal transfers will not result in an increase in Net County Cost.

### **VISION 2036**

Approval of these technical budget adjustments aligns with your Board's 10X goal pathways of **Employment for All** and **Health for All** as well as the Operating Principle of **Fiscal Stewardship** in support of your shared vision of a **Thriving and Resilient Population** and **Prosperous and Vibrant Economy**.

Very truly yours,



Susan S. Muranishi *for*  
County Administrator

### Attachment

c: Auditor-Controller  
District Attorney  
Sheriff  
Chief Probation Officer  
Community Development Agency Director  
Director of Human Resource Services  
Public Defender





### AGENDA REPORT

September 11, 2025

Item No. 10a

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** Current and Pending Proposals

The Commission will receive a report identifying active proposals on file with the Alameda Local Agency Formation Commission (LAFCO) as required under statute. The report also identifies pending local agency proposals to help telegraph future workload. The report is being presented to the Commission for information only.

#### Information / 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 or disapproving boundary changes involving the formation, expansion, merger, and dissolution of cities, towns, and special districts, as well as sphere of influence amendments. It also includes overseeing outside service extensions. Proposals involving jurisdictional changes filed by landowners or registered voters must be put on the agenda as information items before any action may be considered by LAFCO at a subsequent meeting.

#### Current Proposals | Approved and Awaiting Term Completions

Alameda LAFCO currently has no proposals on file that were previously approved and awaiting term completions. CKH provides applicants one calendar year to complete approval terms or receive extension approvals before the proposals are automatically terminated.

#### Current Proposals | Under Review and Awaiting Hearing

There is currently one active proposal on file with the Commission that remains under administrative review and awaits a hearing as of date of this report.

- **Annexation of Merritt Property | City of Pleasanton**

The City of Pleasanton is proposing annexation of a four-subject parcel in unincorporated Alameda County for the development of a 111-lot residential subdivision, including an age-qualified community consisting of 92-single family homes and duplexes. The affected territory is located within the City’s sphere of influence and urban growth boundary.

## **Pending Proposals**

There is currently one new potential proposal at the moment that staff believes may be submitted to the Commission from local agencies based on ongoing discussions with proponents.

- **Reorganization of Appian Way/Louis Ranch Property | ACWD and USD**  
The Alameda County Water District (ACWD) and Union Sanitary District (USD) are evaluating a plan to annex one parcel totaling approximately 30 acres within the City of Union City. The purpose of the annexation is to develop 325 single-family residential units on nine parcels totaling 98.6 acres.

## **Alternatives for Action**

This item is for informational purposes only. No formal action will be taken as part of this item.

Attachments: none



## AGENDA REPORT

September 11, 2025

Item No. 10b

**TO:** Alameda Commissioners

**FROM:** Rachel Jones, Executive Officer

**SUBJECT:** Progress Report on 2025-2026 Work Plan

The Alameda Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing specific projects as part of its adopted work plan for 2025-2026. The report is being presented to the Commission to formally receive and file as well as provide direction to staff as needed.

### Background

Alameda LAFCO's current strategic plan was adopted following a planning session on June 23, 2023. The plan defines each of LAFCO's priorities through overall goals, core objectives, and target outcomes with overarching themes identified as education, facilitation, and collaboration. The strategic plan is anchored by seven key priorities that collectively orient the Commission to proactively fulfill its duties and responsibilities under the Cortese-Knox-Hertzberg Act of 2000 in a manner responsive to local conditions and needs. These pillars and their related strategies, which premise individual implementation outcomes, are summarized below.

1. Education – Serve as a resource to the public and local agencies to support orderly growth and logical sustainable service provision.
2. Facilitation – Encourage orderly growth and development through the logical and efficient provision of municipal services by local agencies best suited to feasibly provide necessary governmental services and housing for persons and families of all incomes.
3. Collaboration – Be proactive and act as a catalyst for change as a way to contribute to making Alameda County a great place to live and work by sustaining its quality of life.

On May 8, 2025, Alameda LAFCO adopted the current fiscal year work plan at a noticed public hearing. The work plan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the work plan is to serve as a management tool to allocate Commission resources in an accountable and transparent manner over the corresponding 12-month period that pulls from the key priorities in the Commission's Strategic Plan.

#### Administrative Office

Rachel Jones, Executive Officer  
224 West Winton Avenue, Suite 110  
Hayward, California 94544  
T: 510.670.6267  
[www.alamedalafco.org](http://www.alamedalafco.org)

Nate Miley, Regular  
County of Alameda

David Haubert, Regular  
County of Alameda

Lena Tam, Alternate  
County of Alameda

Jack Balch, Regular  
City of Pleasanton

John Marchand, Regular  
City of Livermore

Sherry Hu  
City of Dublin

Ralph Johnson, Chair  
Castro Valley Sanitary District

Mariellen Faria, Regular  
Eden Township Healthcare

Peter Rosen, Alternate  
Hayward Area Recreation and Park District

Sblend Sblendorio, Regular  
Public Member

Bob Woerner, Alternate  
Public Member

Further, while it is a standalone document, the work plan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly.

This item provides the Commission with a status update on nineteen targeted projects established for the fiscal year with a specific emphasis on the “top ten” projects that represent the highest priority to complete during the fiscal year as determined by the membership. This includes identifying the projects already completed, underway, or pending in the accompanying attachment. The report and referenced attachment are being presented for the Commission to formally receive and file while also providing additional direction to staff as appropriate.

### **Discussion**

The Commission is underway on four of the nineteen projects included in the adopted work plan. This includes progress on projects, such as Countywide Regional Water and Wastewater Committee, LAFCO Operational Independence, and the Countywide Municipal Service Review on Health and EMS/Ambulance Services.

### **Alternatives for Action**

This item is for informational purposes only. No formal action will be taken as part of this item.

#### **Attachments:**

1. 2025-2026 Work Plan

Priority	Urgency	Type	Project	Key Issues
1	High	Administrative	LAFCO Operational Independence	Establish LAFCO as its own employer
2	High	Statutory	Countywide MSR on Health and EMS/Ambulance Services	Consider accessibility of healthcare (including mental health) services to all residents within Alameda County
3	High	Statutory	Countywide Regional Water and Wastewater Committee	Develop a Framework for Creating a Countywide Regional Water and Wastewater Committee
4	High	Administrative	LAFCO Personnel Policies and Procedures	Establish own LAFCO personnel policies and employer handbook
5	High	Statutory	Application Proposals and Requests	Utilize resources to address all application proposals and boundary issues (ex. South Livermore Sewer Extension Project)
6	High	Administrative	Informational Report on Island Annexations	Map all Unincorporated Islands and Examine Island Annexation Implementation Issues in Alameda County
7	High	Administrative	2024-2025 Audit	Verify Fund Balance; Perform Regular Audits
8	Moderate	Administrative	Local Agency Directory Update and MSR Summary Report	Continue Producing LAFCO Graphic Design Materials for Transparency and Outreach
9	Moderate	Statutory	Police Services Municipal Service Review	Examine Current Provision and Need for Police Services and Related Financial Considerations
10	Moderate	Administrative	Agricultural Land Use Designation Project	Work in Partnership with the County to Review and Evaluate Land Use Designations for Agricultural and Open Space Areas
11	Moderate	Statutory	Participate and Facilitate Ongoing MSR Fire Service Discussions	Work with Fire Agencies in Providing Possible Boundary Solutions and Shared Facilities
12	Moderate	Administrative	SALC Agricultural Conservation Acquisition Grants	Apply for SALC Grants to permanently protect croplands, rangelands, and lands utilized for the cultivation of traditional resources from conversion to non-agricultural uses
13	Moderate	Statutory	South Livermore Valley Sewer Extension	Collaborate with the City of Livermore to review and implement best service connection options to winegrowers
14	Low	Administrative	Review of County Transfer of Jurisdiction Policies	Ensure Policies are Consistent with CKH
15	Low	Administrative	Update Application Packet and Mapping Requirements	Streamline LAFCO Application and County Mapping Requirements; Make User Friendly
16	Low	Administrative	Informational Report on Remen Tract	Special Report on Service Delivery

17	Low	Administrative	Bay Area LAFCO Meetings	Attend Meetings with Other Bay Area LAFCOs for Projects/Training
18	Low	Administrative	Legislative Proposal - UC Berkeley Report	Work with LAFCOs to facilitate legislation implementing UC Report recommendations to improve LAFCO oversight
18	Low	Administrative	Social Media	Expand Alameda LAFCO's Social Media Presence
19	Ongoing	Statutory	Policy Review on Agricultural Protection and Out of Area Service Agreements	Periodical review of existing policies relative to practices and trends, and determine whether changes are appropriate to better reflect current preferences