

**Proposed Drainage Services and Financial Plan for
Contra Costa County Public Works Department
As Proposed Successor Agency to Knightsen Town Community Services District**

Purpose: This Plan is prepared to propose limited storm drainage services for the community of Knightsen by the Contra Costa County Public Works Department after the dissolution of the Knightsen Town Community Services District (KTCSD). The Contra Costa Local Agency Formation Commission (LAFCO) is scheduled to consider KTCSD's request to dissolve the KTCSD and may designate the County as the successor agency to KTCSD. The County is not opposed to dissolution; however, the County proposes several conditions should LAFCO designate the County as the successor agency to the KTCSD.

Background: The KTCSD was formed in 2005 through Ballot Measure Z, which authorized the KTCSD to levy special parcel taxes to fund "constructing, operating, maintaining, and servicing flood control and water quality improvements" in the Knightsen area. On May 7, 2020, the KTCSD Board approved a resolution to request that LAFCO dissolve the district.

The KTCSD includes approximately 5,100 acres of land and approximately 600 parcels. Measure Z authorized the KTCSD to levy a parcel tax up to \$100 annually per unimproved parcel, and up to \$200 annually per improved parcel. The KTCSD has collected about \$27,000 annually with the tax rate of \$25 for unimproved parcels and \$50 for improved parcels, except for higher amounts in FY 17-18 and FY 18-19 when the tax was increased. KTCSD currently has a fund balance of approximately \$280,000.

The Knightsen area is relatively flat and generally drains northeasterly toward Delta levees. It does not have public storm drain infrastructure other than public road culverts and roadside ditches. The County currently does not have any drainage plans for the Knightsen area, and, currently, the only funding source for any such plans would be County General Funds. The KTCSD hired a professional engineering firm to study the drainage and recommend drainage improvements, but terminated the contract prior to completion of the report – the Knightsen Stormwater Resources Plan (SWRP). This report is a statutory requirement to apply for State stormwater grants; thus we recommend the report be completed to meet that requirement.

Upon KTCSD's dissolution, the Knightsen Town Advisory Council (KTAC) is recommended to serve in an advisory body regarding any future drainage issues in Knightsen. We recommend the KTAC be provided an annual report of the County's activities in Knightsen, specifically concerning use of KTCSD funds following all dissolution activities, and any future drainage issues. We have observed that low-lying areas in the Delta with similar drainage issues have formed reclamation districts to pump stormwater into the Delta and with rising sea levels. We anticipate that drainage issues will persist; thus we recommend that some drainage services continue.

The County Public Works Department has and will continue to be responsible for maintenance of public road culverts and some roadside ditches in the community. If determined to be the Successor Agency for KTCSD, the County Public Works Department is proposing the Drainage Services Plan and Financial Plan below.

Drainage Services Plan:

1. Continue supplemental pumping of surface runoff that collects on East Bay Regional Parks District (EBRPD) property, formerly known as Nunn Farms property, into No Name Slough, as determined on a case-by-case basis.
 - a. KTCSO partially funded this activity in the past.
 - b. EBRPD uses fixed pumps to remove excess water annually from their property.
 - c. When EBRPD pumps are overtaxed and cannot keep up with Knightsen stormwater coming onto the property, then supplemental pumping will start.
 - d. The County will seek to enter into an agreement with EBRPD to set the scope of services, list what is paid for, and give an estimate of the frequency of needed pumping.
2. Complete the SWRP and retain it in County files for future reference.
 - a. The County will contract with the same consultant that KTCSO used, and oversee the process.
 - b. The estimated cost to complete the SWRP is \$6,000.
3. Respond to any KTAC requests to discuss drainage issues and respond with recommendations.
4. Provide an annual report to KTAC regarding Successor Agency actions and KTCSO remaining funds.
5. This plan will remain in effect until terminated by the County Board of Supervisors.

Financial Plan:

1. Transfer Measure Z taxing authority to the County.
2. Retain current tax rate set by KTCSO at zero with no current plan to increase it.
3. Increase tax rate only upon KTAC recommendation and approval by Board of Supervisors and subject to Measure Z requirements.
4. Use KTCSO funds to review, negotiate, and enter into an agreement with EBRPD for pumping excess community stormwater from their property, estimated staff cost of \$15,000.
5. Use KTCSO funds to pay for supplemental pumping of community runoff collected on EBRPD property into No Name Slough, according to the agreement with EBRPD, estimated at \$7,000 every three years on average (annually, about 0.8% of KTCSO current fund balance).
6. Use KTCSO funds to reimburse the Public Works Department for staff costs of \$26,754.72 for KTCSO startup costs, according to the July 12, 2005, letter.
7. Use KTCSO funds to reimburse the County for staff costs to administer the KTCSO dissolution, estimated at \$60,000.
8. Use KTCSO funds to complete the SWRP, estimated at \$6,000.
9. Use KTCSO funds for County administration of the drainage services plan, estimated at \$4,000 per year (about 1.4% of KTCSO current fund balance).

Below is a calculation of the estimated KTCSO fund balance after dissolution for the end of the 2020-21 fiscal year.

Fund Balance as of 7/1/2020:	\$281,367.00	From KTCSO website
KTCSO FY 2020/21 Operating Expenses:	-\$29,980.00	From KTCSO website
County Dissolution Costs:	-\$60,000.00	Estimated County staff costs
2005 Amount Reimbursed to PWD:	-\$26,754.72	Requested in 7/12/05 letter
Develop Agreement with EBRPD:	-\$15,000.00	Estimated County staff costs
Completion of SWRP Report:	-\$6,000.00	Estimated consultant and County staff costs
Fund Balance as of 6/30/2021:	\$143,632.28	

The remaining fund balance is anticipated to allow for County annual administration and occasional pumping costs for approximately 22 years prior to exhausting all KTCSO funds (\$143,600 / \$6,334 = 22).

Prepared 9/08/2020

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