



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

## MEETING

### AGENDA

**Wednesday, July 19, 2023**

**2:30 pm**

**Board of Supervisors' Chambers**

Hall of Justice and Records

400 County Center

Redwood City, CA 94063

This meeting of San Mateo Local Agency Formation Commission (LAFCo) will be in person at the above mentioned address. Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at 400 County Center, Redwood City, CA 94063. For information regarding how to participate in the meeting, either in person or remotely, please refer to instructions at the end of the agenda.

#### **Hybrid Public Participation**

The July 19, 2023 LAFCo meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The meeting may also be accessed by telephone by dialing +1 669 900 6833 (local) and entering webinar ID then #. Members of the public may also attend this meeting physically in the San Mateo County Board of Supervisors Chambers at 400 County Center, Redwood City, CA 94063.

\*Written public comments may be emailed to [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org), and should include the specific agenda item on which you are commenting.

\* Spoken public comments will be accepted during the meeting in person or remotely through Zoom at the option of the speaker. Public comments via Zoom will be taken first, followed by speakers in person.

**\*Please see instructions for written and spoken public comments at the end of this agenda.**

#### **ADA Requests**

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Angela Montes, Commission Clerk, as early as

(OVER)

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

possible but no later than 10:00am the day before the meeting at [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org). Notification in advance of the meeting will enable the Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

\*All items on the consent agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn. Any item on the consent agenda may be transferred to the regular agenda.

1. Roll Call
2. Oath of Office for New Commissioners Appointed
3. Public Comment for Items Not on the Agenda
4. Consent Agenda\*
  - a. Approval of Action Minutes: May 17, 2023
  - b. Consideration of LAFCo File No. 23-01 - Proposed Outside Service Agreement for sewer service by the City of San Carlos to 83 El Vanada Rd (APN 051-440-080), Unincorporated San Carlos
  - c. Consideration of LAFCo File No. 23-02 - Proposed Outside Service Agreement for water Service by the City of Redwood City to 570 Live Oak Lane, (APN 057-163-090), Unincorporated Redwood City
  - d. Consideration of LAFCo File No. 23-05 - Proposed annexation of 118 Mapache Drive, Portola Valley (APN 077-021-200) to West Bay Sanitary District

#### Regular Agenda

5. Update Regarding LAFCo File No. 22-09 – A proposal to establish the East Palo Alto Sanitary District (EPASD), an independent special district, as a subsidiary district of the City of East Palo Alto (City)
6. Approval of Amendment 1 to the Broadmoor Police Protection District Special Study
7. Broadmoor Police Protection District Update – Information Only
8. CALAFCO updates
  - a. CALAFCO 2023 Annual Conference – Information Only
  - b. Voting Delegates at 2023 California Association of LAFCOs (CALAFCO) Annual Conference
9. Legislative Report – Information Only
10. Commissioner/Staff Reports – Information Only
11. Adjournment

**\*Instructions for Public Comment During Teleconference Meetings**

During LAFCo hybrid meeting, members of the public may address the Commission as follows:

**\*Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to [amontescardenas@smcgov.org](mailto:amontescardenas@smcgov.org).
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Commission and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.

**\*Spoken Comments**

**In person Participation:**

1. If you wish to speak to the Commission, please fill out a speaker's slip located at the entrance. If you have anything that you wish distributed to the Commission and included in the official record, please hand it to the Clerk who will distribute the information to the Commission members and staff.

**Via Teleconference (Zoom):**

1. The Commission] meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/93703834059>. The webinar ID is: 937 0383 4059. The Commission meeting may also be accessed via telephone by dialing +1 669 900 6833 (local). Enter the webinar ID, then press #. Members of the public can also attend this meeting physically in the San Mateo County Board Of Supervisors Chambers at 400 County Center, Redwood City, CA 94063.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.

4. When the Commission Chair or Clerk calls for the item on which you wish to speak, click on “raise hand.” Speakers will be notified shortly before they are called to speak.

**\*Additional Information:**

For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission.

**NOTICE:** State law requires that a participant in a LAFCo proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

Agendas and meeting materials are available at [www.sanmateolafco.org](http://www.sanmateolafco.org)



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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## Action Minutes San Mateo Local Agency Formation Commission Meeting May 17, 2023

Chair Draper called the Wednesday, May 17, 2023, meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm in the Board of Supervisors Chambers, 400 County Center, Redwood City, California. Members of the public were able to also participate in the meeting remotely via the Zoom.

### 1. Roll Call

Members Present: Commissioners Tygarjas Bigstycck, Kati Martin, Ray Mueller, Warren Slocum, Harvey Rarback, Chris Mickelsen, Ann Draper

Members Absent: None

Alternate Members Present: Jim O'Neill

Staff Present: Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst  
Timothy Fox, Legal Counsel  
Angela Montes Cardenas, Clerk

### 2. Public Comment for Items Not on the Agenda

None

### 3. Consent Agenda

**a. Approval of Action Minutes: March 15, 2023**

**b. Consideration of LAFCo File No. 23-03: Proposed Annexation of 2 Wyndham Drive, Portola Valley (APN 076-251-240)**

Commission Action: Commissioner Rarback moved to approve the consent agenda, and Commissioner Martin seconded the motion which passed unanimously by roll call vote.

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ANGELA MONTES, CLERK

LAFCo Meeting  
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(Ayes: Commissioners Bigstyck, Martin, Mueller, Rarback, Slocum, Chair Draper. Abstention: Commissioner Mickelsen.)

#### **4. Consideration of Adoption of Final Work Program and Final LAFCo Budget for Fiscal Year 2023-2024**

Management Analyst Sofia Recalde presented the staff report dated May 10<sup>th</sup>. She noted that the final FY23-24 budget is \$846, 026. Based on input from the Budget Committee, the proposed Peninsula Health Care District Study and LAFCo Countywide Fire Study were removed from the Work Plan. There will be an update from the Peninsula Health Care District to LAFCO regarding the District's on-going projects later in the year. The Budget Committee requested that the Harbor District MSR Update be prioritized; however, the MSRs for Burlingame, Hillsborough, San Bruno, Millbrae, and Foster City are first-round and should remain priority for staff. She said the Commission may decide to hire a consultant for the Harbor District Special Study. She updated the Commission on applications for boundary changes and other projects.

Chair Draper opened and closed public comment, no comments were received.

Conversation ensued regarding the Countywide Fire Study with Commissioner Bigstyck, Executive Officer Bartoli, and Chair Draper. The Commission expressed interest in considering a Fire Study in a future fiscal year.

Commission Action: Commissioner Bigstyck moved to direct the Executive Officer to distribute the budget to the County, cities, and independent special districts and forward it to the County Controller to invoice funding agencies. Commissioner Martin seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstyck, Martin, Mueller, Rarback, Slocum, Mickelsen, Chair Draper.)

#### **5. Adoption of Revised LAFCo Processing Fees**

Management Analyst Recalde presented the staff report dated May 10, 2023. She noted that the Cortese-Knox-Hertzberg Act allows LAFCOs to establish a schedule of fees for processing applications. She summarized the proposed updates to the LAFCo processing fee schedule.

Conversation ensued regarding the 7.5% proposed annexation fee increase with Commissioner Martin, Ms. Recalde, and Mr. Bartoli. As requested by Commissioner Bigstyck staff summarized how LAFCO recoups cost.

Chair Draper opened and closed public comment, no comments were received.

Commission Action: Commissioner Mueller moved to approve by resolution the proposed LAFCo processing fee schedule for FY23-23. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstyck, Martin, Mueller, Rarback, Slocum, Mickelsen, Chair Draper.)

## **6. Consideration of Resolution Authorizing an Agreement with the County of San Mateo for Staffing Legal Counsel, Office Space and Supplies for Fiscal Year 2023-24**

Management Analyst Recalde presented the staff report dated May 10, 2023.

Chair Draper opened and closed public comment, no comments were received.

Commission Action: Commissioner Mueller moved to authorize, by resolution, the Chair to execute the agreement with the County of San Mateo for staffing and support services. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Bigstyck, Martin, Rarback, Slocum, Mickelsen, Chair Draper.)

## **7. Broadmoor Police Protection District Update – Information Only**

Executive Officer Bartoli presented the staff report dated May 10, 2023. He summarized the direction given to staff by the Commission at the March 17, 2023 meeting. He noted that the written request for information was emailed to the Broadmoor Police Protection District (BPPD) on March 16. Staff received a response from BPPD on May 10, 2023 that focused on several issues, including calls for service data, the District's finances, financial reporting, and long-range planning. However, BPPD did not provide a comprehensive response to all of the key issues and recommendations from the Special Study or information about when responsive actions will be implemented by the District.

One of the key concerns expressed by the District was the calls for service data in the Special Study is incorrect. Mr. Bartoli explained that LAFCo had given BPPD multiple opportunities to comment on the Special Study. LAFCo staff shared an administrative draft with interim Chief Melville in October 2022 and presented to the BPPD Commission and to the Broadmoor Property Owners Association in January 2023. LAFCo staff did not receive any questions or comments regarding the content of the Special Study. Mr. Bartoli stated that he is amenable to updating the Study with correct calls for service data when the District provides that information.

Mr. Bartoli summarized the remainder of the District's response, including awareness of its budget shortfalls and intention to take steps to reduce overall costs and increase transparency. He concluded the presentation by describing staff's next steps to provide updates to the Commission at the July, September, and March 2024 meetings.

The public comment letters received were acknowledged and posted.

Conversation ensued with Commissioner Slocum regarding what the future requested updates from BPPD will represent. Staff explained that it will provide updates on the District's budget, finances, audits, and actions the District has taken to address the findings in the Special Study.

Conversation ensued between staff and the Commission regarding the calls for service data and Commissioner Martin regarding how to obtain the calls for service data.

Chair Draper opened public comment.

BPPD Chief Michael Connolly addressed the Commission for 20 minutes. He shared his extensive background in law enforcement and his involvement with presenting data to San Francisco Police Department and Board of Supervisors, noting that a study with invalid data loses credibility. He shared the timeline of when he assumed office and became aware of the incorrect data. Chief Connolly questioned the source of data and said that the study painted a catastrophic picture of BPPD by indicating that residents were paying \$3,500 per service call. He said he knows Broadmoor has financial problems similar to what other municipalities have. He affirmed the Commission that BPPD can keep up with its level of service. The comparison with Daly City and Colma is factually incorrect. He said Broadmoor has the lowest cost per service call to residents compared to Daly City and Colma. He said that BPPD supports Daly City and Colma police departments when needed. He continued to talk about staffing shortfalls for local agencies, including the Sheriff's Office and Daly City. In terms of the budget, he said that unbalanced budgets are due to insurance and litigation costs. He said that CalPERS is investigating the administrative and criminal actions of previous administrations. He said BPPD is working with CalPERS to remedy the problem. He asked the Commission to retract the report because it was unfair and untrue. He said it is improper to move forward with a dissolution because the report is flawed. He said he is willing to create his own report and share it with his elected Board and refute the LAFCo report.

Chair Draper clarified that the Commission has not made a recommendation for dissolution. She said it was inaccurate to state that the Commission has made a decision regarding dissolution. Chief Connolly expressed concern with the Commission's approval of an untrue report. He said they have been in conversation with Supervisor Canepa's staff on how to remedy the financial situation. He said he is working to fix budget problems but has no idea about where the litigation is going.

In response to Commissioner Bigstycck, Chief Connolly said he did not submit a written matrix.

Christine Taliva'a-Aguerre, President of Broadmoor Property Owners Association, said that her Board and other members of the community are working with Chief Connolly to get all questions answered. She said she supports the District and so do many other people. Broadmoor police is always there for the community. The BPPD always show up to community events. She asked the Commission not to get rid of the District.

Geoff Balton, Chief of Colma Fire Protection District, stated that Colma Fire shares public safety responsibilities with BPPD in their community and Town of Colma. He said that if BPPD was to be dissolved, there would potentially be impacts to other districts, such as Colma Fire. Chief Balton stated that he will continue follow this topic.

Andrea Hall, Broadmoor resident, said that the Chief has done nothing to improve her confidence in the District's commitment to improve transparency and financial solvency. She noted the District has had 6 months to respond to the draft report. She finds it alarming that they cannot locate prior correspondence with Mr. Bartoli. She asked the Commission to hold the BPPD accountable.

Will Eaton, Broadmoor resident, noted that the police is always a visible part of the neighborhood and is concerned how changes to the organization could impact resource allocations.

Anna Marie, Broadmoor resident, was concerned that the Commission passed a report with untrue data. Chief Connolly is doing his best to provide correct data. Her family has lived in Broadmoor since 1964 because they feel safe and protected.

Mike Abuyaghi, Broadmoor resident, said it would be a huge loss to lose BPPD. It takes longer to get an officer response in larger cities. BPPD makes our community safe and responds fast.

David Smith, Board member of the Broadmoor Property Owners Association, has received a lot of support from BPPD. The community is aware of parcel tax, and it needs to be used to support the police department.

Alba Tebo, Broadmoor resident, said her family chose to live in Broadmoor for its safety thanks to the police department. It would be a shame to lose the police department.

Marie Ann, Broadmoor resident, said the BPPD gives her a sense of well-being and asked Commission to keep the department.

Sandie Arnott, Treasury & Tax Collector & Broadmoor resident, was concerned about the inaccurate report and asked that Chief Connolly be allowed to provide the accurate information. She supports BPPD.

Lee Whitsitt, Broadmoor resident, said it would be a shame to dissolve the District over another administration. Broadmoor is a great community, and numbers should be corrected.

Chair Draper closed public comment.

Chair Draper thanked everyone involved. She noted that the main issues noted in the Special study were regarding finances, operations, and governance. The major financial issues have been on-going and need to be corrected, or the District will go bankrupt. Broadmoor leadership must focus on a strong financial recovery plan. The response from BPPD diverted from the financial problem. The District must pass a balanced budget for the upcoming fiscal year.

Commissioner Mueller found it striking that the matrix was not filled out. He questioned why BPPD is supporting other cities when they are not financially stable. He summarized county policy from the Treasurer-Tax Collector that if a special district's balance falls under \$250,000, they will be pulled from the County Pool. His understanding is that this will be strictly applied and suggested that LAFCo submit a letter to the Controllers in support of the Policy to remove special districts that fall under the \$250,000 threshold in order to reduce risk to other districts. The Commission is attempting to inform the Broadmoor community how severe the BPPD financial issues are, and Commissioner Mueller requested again that the matrix be filled out by BPPD.

Commissioner Mickelsen supported comments stated by Commissioners and understands the value of community policing but understands that times also change. The biggest issue is the financial issue. Commissioner Mickelsen requested that the Districted fill out the matrix.

Commissioner Rarback stated he understood the concerns of District residents and noted that this is not a new financial issue and has been ongoing for almost a decade. He shared his concern that the District will become bankrupt. He would like the District to complete the matrix.

Commissioner Bigstycck does not doubt that service levels of BPPD may need to be updated, but he shared the same concerns as other Commissioners and would like to see the matrix.

Commissioner Martin Stated that the mission of this Commission is not to dissolve special districts. LAFCo helped put the Mosquito District back together and she is hopeful it can also help BPPD. She encouraged the District to be transparent in order for LAFCo to be able to help.

Commissioner Slocum recommended that the Chief and Staff come back on July 19 with precise responses to matrix, discrepancies, information regarding efforts with Supervisor Canepa and more information about the County Pool threshold. The Chief should work with Executive Office to resolve discrepancies.

Chair Draper summarized next steps.

Chief Connolly noted that he is in full agreement with working with LAFCo staff and requested that the Commission take no further action while the District is working with LAFCo. Mr. Bartoli added that he is happy to work with the Chief on this matter. Mr. Bartoli summarized next steps in detail.

#### **8. LAFCo Initiated Dissolution Process – Information Only**

Mr. Bartoli gave a verbal update to the Commission regarding LAFCo initiated dissolutions and referred to staff report dated May 10, 2023. He summarized the definition and process of a LAFCo initiated dissolution and how protest proceedings are different depending on the entity that initiates a dissolution. He continued to summarize SB 938 dissolution process and items for the Commission to contemplate when considering a LAFCo initiated dissolution.

Conversation ensued with Commissioner Rarback, Mr. Bartoli and Legal Counsel Tim Fox regarding plan for service and successor agency. Chair Draper requested a flow chart of the process for each type of dissolution.

Mr. Bartoli shared the timeline for the different types of dissolutions. He provided the Commission with examples and next steps.

Conversation ensued with Commissioner Bigstyk and Mr. Bartoli regarding a situation when an agency is falling behind financially if there is a process for an urgent dissolution.

Chair Draper opened public comment.

Elizabeth Jackson, East Palo Alto resident, asked who would pay for an election if one were to be held, whether it would be the district, city, or ratepayers, in reference to a proposal that the City of East Palo Alto submitted regarding the East Palo Alto Sanitary District. Mr.

Bartoli noted that it depends on who submits the application process and he provided the different scenarios.

Chair Draper closed public comment.

## **9. CALAFCO**

### **a. CALAFCO Nominations for 2023-2024 Board Members**

Mr. Bartoli informed the Commission about the nominations to CALAFCO board 2023-2024.

### **b. 2023 CALAFCO Achievement Award Nominations**

Mr. Bartoli notified the Commission of the annual 2023 CALAFCO achievement award nominations.

Chair Draper opened and closed public comment, no comments were received.

## **10. Legislative and Policy Committee**

### **a. Letter of Support for AB 1753, Local Government: Reorganization Omnibus Bill**

Ms. Recalde gave a verbal update to the Commission and referred to letter of support for AB 1753. She summarized the omnibus bill that made minor technical changes to the Act to correct small inconsistencies and clarify language so the Act is as unambiguous as possible.

### **b. Legislative Report – Information Only**

Ms. Recalde highlighted AB 1930, SB 360, and AB 918 and noted that CALAFCO is tracking 19 bills.

Chair Draper opened and closed public comment, no comments were received.

## **11. Commissioner/Staff Reports – Information Only**

### **a. Staff Update on East Palo Alto Sanitary District Subsidiary Proposal**

Mr. Bartoli provided a brief update to the Commission on LAFCo File No. 22-09 and noted that staff is still reviewing the application, which is currently deemed incomplete. He noted that staff will update the website to include the timeline and reports to the Commission. He also noted that this item will be heard in East Palo Alto once it's on the LAFCo agenda.

Gail Wilkerson, East Palo Alto resident, spoke on consultant led MSR for the City of East Palo



Alto, West Bay Sanitary District and East Bay Sanitary District and said the developers are suffocating the residents. She said residents have been overcharged and have received minimum services. She accused the developers of racketeering and that they are going after the District.

## **12. Adjournment**

Chair Draper adjourned the meeting at 5:03 p.m.

SAN MATEO



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July 13, 2023

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** LAFCo File No. 23-01 - Proposed Outside Service Agreement for Sewer Service by the City of San Carlos to 83 El Vanada Road, Unincorporated Redwood City (APN 051-440-080)

## Summary

Pursuant to Government Code Section 56133, Commission approval is required for extension of service by local agencies to territory outside the agency's boundaries. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the City of San Carlos has applied by resolution for the extension of sewer service and sewage treatment to a residential single-family home at 83 El Vanada Road, Unincorporated San Carlos (APN 051-440-080). This existing septic system at the subject property has failed and there is no location for a replacement system on the property.

The project area is within the sphere of influence of the City of San Carlos. However, the property is not contiguous to a City boundary, and annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. LAFCo staff supports an Outside Service Agreement (OSA) in lieu of annexation. As a condition of approval, the property owner shall record a document consenting to future annexation of the property to the City. Commission approval is recommended.

## Departmental Reports

*County Assessor:* The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$1,392,440. The boundaries of the OSA as proposed conform to lines of assessment and ownership. No property tax exchange is required.

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*County Clerk:* The Outside Service Agreement would not change or conflict with any precinct boundaries. In the event that the parcel is annexed by the City of San Carlos, it would need to be changed from an unincorporated area precinct to a precinct within the City of San Carlos.

*County Public Works:* The proposal does not propose changes to the streets or right of way. The proposed sewer line for 83 El Vanda Road will connect to the Scenic Heights County Sanitation District, a County governed district, sewer main on Edgewood Road. In order for the property owner to connect to Scenic Heights County Sanitation District sewer system and to allow the sewage treatment allocation to be granted to the Sanitation District by the City of San Carlos, various agreement must be in place and approved by the County Board of Supervisors. These agreements are pending Board of Supervisors approval at an upcoming Board meeting in August or September. Any work within the County right of way will require permits from County Public Works.

*County Planning:* The County's land use designation is low density residential, and the County encourages the use of sewerage system as a method of wastewater management in urban areas. The site is not included in the City of San Carlos's general plan but is in the City's sphere of influence. County Planning recommends approval of the applicant.

*City of San Carlos:* The proposed site is not eligible to be annexed or pre-zoned within the City of San Carlos as the property is not currently adjacent to the City boundaries or City streets. There are currently no City adopted plans or capital improvement projects for extending service to the site. However, the site does fall within the City's Sphere of Influence. The City does have adequate sewage treatment capacity for one additional single-family connection.

The San Carlos City Council approved the OSA and application for sewer service at the City Council meeting on June 26, 2023 (Attachment A). The sewer connection is conditioned upon the property owner signing and recording a Declaration of Restriction Agreement consenting to deferred annexation and waiver of protest if annexation is proposed and a Restrictive Covenant regarding no further subdivisions.

*County Environmental Health:* The City of San Carlos and the County of San Mateo provides the available sewer service in the area. The OSA for sewer services is necessary to mitigate the failed on-site septic system that has no room for adequate repair. On October 6, 2022, Environmental Health Services deemed that the septic system had failed at 83 El Vanada and is a threat to public health. Due to the location, Environmental Health recommends approval of the OSA.

### **Executive Officer's Report**

This proposal has been submitted by resolution by the City of San Carlos to connect the single-family dwelling to the City sewer system.

The subject property is within the Sphere of Influence of the City but is not contiguous to a City boundary. Therefore, annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. If annexed now, 83 El Vanada Road the property would become an incorporated island. In these circumstances, LAFCo's adopted Outside Service Agreement policy permits the extension of services when annexation is infeasible. Approval of the Outside Service Agreement is recommended, pending consent to deferred annexation and

protest waiver if annexation is proposed as required by the City of San Carlos and San Mateo LAFCo policy. 83 El Vanada will connect to the Scenic Heights County Sanitation District to allow for the conveyance of sewage to the Silicon Valley Clean Water sewage treatment facility. The City of San Carlos as a member of Silicon Valley Clean Water will allocate the required treatment capacity for 83 El Vanada.

#### California Environmental Quality Act

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 3, as it consists of a service extension for an exempt facility (up to three single-family residences and utilities, including water, to serve them).

#### Recommended Commission Action

By motion, approve LAFCo File No. 23-01 - Proposed Outside Service Agreement for Sewer Service by the City of San Carlos to 83 El Vanada Road, Unincorporated Redwood City (APN 051-440-080), pursuant to Government Code Section 56133 with the following conditions of approval outlined in the OSA:

- 1) The applicant shall execute the following documents in connection with the Outside Service Agreement with the City of San Carlos:
  - a. Irrevocable Agreement to Annex
  - b. Restricted Covenant Regarding No Further Subdivision

Copies of the recorded documents shall be submitted to LAFCo, prior to the issuance of the approval letter for the Outside Service Agreement for 83 El Vanada Road.

- 2) The applicant shall pay all associated fees necessary related to the sewer connection.

#### Attachments

- A. Copy of the City of San Carlos Resolution, including the draft Outside Service Agreement, draft Deferred Annexation Agreement and draft Restrictive Covenant Agreement
- B. Application
- C. Vicinity Map
- D. Letter from County Environmental Health Services dated October 6, 2022

cc: Grace Le, City of San Carlos  
Ann Stillman and Mark Chow, San Mateo County Public Works  
Kanoa Kelly and Rosina Cheng, San Mateo County Planning & Building  
Greg Smith, San Mateo County Environmental Health  
Christen DiPetrillo and Kyle Cady, Property Owners

**RESOLUTION NO. 2023 – 084**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CARLOS  
AUTHORIZING APPLICATION BY THE CITY TO THE LOCAL AGENCY FORMATION  
COMMISSION REQUESTING APPROVAL FOR EXTENSION OF SEWER SERVICE  
OUTSIDE JURISDICTIONAL BOUNDARIES PURSUANT TO GOVERNMENT CODE  
SECTION 56133 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE OUTSIDE  
SEWER SERVICES AGREEMENT WITH KYLE C. CADY AND CHRISTEN G. DIPETRILLO  
FOR 83 EL VANADA ROAD AND ALL ASSOCIATED AGREEMENTS.**

---

**WHEREAS**, Kyle C. Cady and Christen G. DiPetrillo (“Owners”), the owners of 83 El Vanada Road, located in an unincorporated area in the County of San Mateo, APN 051-440-080, in the sphere of influence of the City of San Carlos, have requested connection to the City’s sewer system, as authorized by California Government Code Section 56133; and

**WHEREAS**, the San Mateo County Health Services Agency declared that the septic system has failed and is a threat to public health, no other on-site disposal system is feasible, and the only reasonable remedy is connection to the existing City public sewer system; and

**WHEREAS**, pursuant to the requirements of Municipal Code Section 13.10.030, sewer service may be extended to the property after application to Local Agency Formation Commission (“LAFCo”) and execution of the Outside Sewer Services Agreement; and

**WHEREAS**, the property is not eligible for annexation because it is not contiguous to City boundaries; and

**WHEREAS**, the City has the ability to facilitate sewer service to the proposed area of 83 El Vanada Road from Edgewood Road (“Sewer Lateral”) to serve the property; and

**WHEREAS**, the Sewer Lateral shall be subject to the terms and conditions per the Outside Sewer Services Agreement between the Owners and the City; and

**WHEREAS**, annexation of the property to the City is contemplated in the future under an Irrevocable Agreement to Annex; and

**WHEREAS**, the City Council also retains the right to terminate the Outside Sewer Services Agreement should LAFCo and San Mateo County not agree to extend sewer service to this property; and

**WHEREAS**, this project is exempt from California Environmental Quality Act guidelines (section 15303(d)).

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of San Carlos, as follows:

1. The City Manager is authorized to submit an application to the Local Agency Formation Commission requesting approval of an extension of sewer service outside the City's jurisdictional boundaries and within the City's sphere of influence to the property located at 83 El Vanada Road, unincorporated San Mateo County, California (APN 051-440-080) pursuant to California Government Code Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
2. The Local Agency Formation Commission of San Mateo County is hereby requested to take proceedings in the manner provided by California Government Code Section 56133.
3. The City Manager is authorized to execute the Outside Sewer Services Agreement with Kyle C. Cady and Christen G. DiPetrillo for 83 El Vanada Road and all associated agreements.

\* \* \* \* \*

I, City Clerk Crystal Mui, hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of San Carlos at a scheduled meeting thereof held on the 26<sup>th</sup> day of June, 2023 by the following vote:


**AYES, COUNCILMEMBERS:** COLLINS, MCDOWELL, VENKATESH, DUGAN, RAK

**NOES, COUNCILMEMBERS:** NONE

**ABSENT, COUNCILMEMBERS:** NONE

  
**CITY CLERK** of the City of San Carlos

APPROVED:

  
**MAYOR** of the City of San Carlos

This Document is Recorded  
For the Benefit of the  
City of San Carlos  
And is Exempt from Fee  
Per Government Code  
Sections 6103 and 27383

When Recorded Mail To:

City of San Carlos  
600 Elm Street  
San Carlos, CA 94070  
Attention: Public Works  
Engineering Department

OUTSIDE SEWER SERVICES AGREEMENT

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by and between Kyle C. Cady and Christen G. DiPetrillo (collectively "Owners") and the City of San Carlos, a California municipal corporation ("City") in connection with obtaining sewer services pursuant to City Resolution 1991-102.

RECITALS

A. Kyle C. Cady and Christen G. DiPetrillo are the owner of certain real property commonly known as 83 El Vanada Road, located in the unincorporated area of Palomar Park, within the Sphere of Influence of the City and more particularly described in Exhibit A hereto.

B. 83 El Vanada Road shall be collectively referred to herein as the "Property."

C. As a result of failing septic systems and associated health and safety concerns, Owners require the use of and the right to connect to the appropriate sewer system within the City by constructing the sewer lateral from the Property to the Hassler Sewer Line on Edgewood Road owned by Scenic Heights County Sanitation District to transport sewage to the City for further transport and treatment, as more particularly described in Paragraph 3. The City has consented to provide sewer treatment services for the Property, but is unwilling to maintain sewer collection facilities that are outside of City's corporate limits.

D. Pursuant to City Resolution 1991 - 102, property located in the unincorporated area of Palomar Park, within the City Sphere of Influence, may connect to the appropriate sewer system upon various conditions.

NOW, THEREFORE, the parties hereby agree as follows:

1. Purpose. The purpose of this Agreement is to set forth the procedure and protocol necessary for the City to provide public sewer services to the Owners, as if the Owners were situated within the City limits.

2. Procedure for Sewer Connection Authorization. The City shall authorize the Owners of the Property to construct the Sewer Lateral pursuant to this Agreement and the Plans described in Paragraph 3 (Sewer Lateral), such that the Owners may legally connect to the Scenic Heights County Sanitation District ("Scenic Heights District") after the following conditions have been met:

2.1 Documents. The Parties have executed the following documents in connection with this Agreement

2.1.1 Irrevocable Agreement to Annex, attached as Exhibit B; and

2.1.2 Covenant Regarding No Further Subdivision, attached as Exhibit C.

2.2 Fees. Owners have paid all associated fees necessary for the Sewer Lateral, which shall include:

2.2.1 "*Application deposit fee*" in the amount of Five Thousand Dollars (\$5000.00) ("Deposit") to be used to cover the time involved in processing the documents listed in Paragraph 2.1 (Documents). The City shall keep an accounting of the time spent on such processing and any unused portion of the Deposit shall promptly be refunded to the Owners.

2.2.2 "*Sewer Connection Fee*" in the amount of Thirteen Thousand Two Hundred and Forty-Two Dollars (\$13,242.00) to be paid to the City as a one-time sewer connection fee.

2.2.3 "*County of San Mateo ("County") Plan Check Fee*" in the amount required to process the construction and design plans for the sewer lateral, as more particularly set forth in Paragraph 3 (Sewer Lateral).

2.2.4 The Owners shall pay the sewer service charge levied by the City, for similar type service levied on parcels within the city and for similar uses, for the Property. Subsequent payments shall be collected together with the Owners property taxes in the same manner as the charges for properties within the City's boundaries are collected.

2.3 LAFCO Approval. Concurrent with the approval of the Application and this Agreement, the City shall submit a Resolution of Application in the form attached as Exhibit D, to LAFCO for its approval.

3. Sewer Lateral. The Owners are responsible for the installation of the sewer lateral from the Property to the Hassler Sewer Line including design, bidding, and construction in accordance with current County sewer standards. The sewer lateral connection at the Hassler Sewer Line shall be built according to those certain engineer plans dated [REDACTED], 2023, consisting of [REDACTED] sheets on file with the County ("Plans") which shall be approved by the County.

3.1 Funding, Ownership and Maintenance for Sewer Lateral. Owners shall own, maintain and fund the Sewer Lateral.

3.2 Sewer Lateral Upgrade or Abandonment and Sewer Main construction and connection to the Hassler Sewer Line.

3.2.1 If at the time the Property is eligible to annex into the City, the Property is the only property being annexed, then the Owners are responsible to abandon the Sewer Lateral, construct and connect to a new sewer main on El Vanada Road, or upgrade the Sewer Lateral to serve as the new sewer main per City standards to the satisfaction of the City Engineer.

3.2.2 If at the time the Property is eligible to annex into the City there are neighboring properties or additional properties on El Vanada Road (collectively "Other Property(ies)") also being annexed into the City, then the Owners and the Other Property owners are responsible to abandon the Sewer Lateral, construct and connect to a new sewer main on El Vanada Road, or upgrade the Sewer Lateral to serve as the



new sewer main per City standards to the satisfaction of the City Engineer.

4. Miscellaneous.

4.1 **Cooperation.** Each Party agrees to cooperate with the other Parties, to respond timely to all requests for action or approval, to do all things, to execute all documents, and to take all actions which may be requested and/or required of a Party to carry out the terms and provisions of this Agreement.

4.2 **Indemnification.** The Owners agree to indemnify, defend and hold harmless City officers, employees and/or agents against any claims, liabilities and/or lawsuits which may arise from the performance of any and all terms and conditions of this Agreement.

4.3 **Amendments.** This Agreement may only be amended by a written agreement executed by all Parties.

4.4 **Assignment.** This Agreement shall be binding upon the successors, heirs and assigns of the Parties, hereto.

4.5 **California Law.** This Agreement shall be governed by the laws of the State of California.

4.6 **Attorneys Fees.** If any legal action, mediation and/or arbitration is instituted to enforce or interpret this Agreement, the prevailing party(ies) shall be entitled to recover the costs incurred therein, including reasonable attorneys' fees.

4.7 **Entire Agreement.** This instrument contains the sole and entire agreement among the Parties hereto relating to the Property and subject matter of this Agreement and correctly sets forth the rights, duties, and obligations of each Party. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are hereby superseded and of no force or effect.

4.8 **Severability.** If any portion of this Agreement is declared by a court of and the balance of this Agreement shall remain in effect.

4.9 **Notice.** Notice under this Agreement shall be deemed effective upon the deposit int first class mail, postage prepaid and address to the parties as follows:

**CITY:**

City of San Carlos  
600 Elm Street  
San Carlos, CA 94070  
Attention: City Manager

**OWNERS:**

Kyle C. Cady and Christen G. DiPetrillo  
83 El Vanada Rd  
Redwood City, CA 94062

4.10 **Exhibits.** All exhibits to which reference is made in this Agreement, are incorporated in this Agreement by the respective reference to them, whether or not they are actually attached.

4.11 **Termination.** In the event the Owners are unwilling or unable to proceed with the Sewer Lateral, the Owners may terminate this Agreement by giving notice to the City pursuant to 4.9 (Notice) above, and said notice shall be recorded. Such termination shall not be allowed subsequent to commencement of construction of the Sewer Lateral.

4.12 **Recordation.** This Agreement shall be recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

OWNERS:

CITY OF SAN CARLOS:

By:  
Name: Kyle C. Cady

By:  
Name:  
Title:

By:  
Name: Christen G. DiPetrillo

Attest:

**EXHIBIT "A"**  
Legal Description

For APN/Parcel ID(s): 051-440-080

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT ON THE WESTERLY BOUNDARY OF LAND DESCRIBED AS PARCEL 2 IN DEED FROM LAURA HARWOOD AND HUSBAND TO FLOYD L. BAIRD, ET AL, DATED MARCH 7, 1933 AND RECORDED APRIL 1, 1933 IN [BOOK 591 OF OFFICIAL RECORDS AT PAGE 224](#), RECORDS OF SAN MATEO COUNTY CALIFORNIA, SAID POINT OF BEING REFERRED TO IN SAID DEED AS POINT "B"; THENCE NORTHERLY, ALONG SAID WESTERLY BOUNDARY, 2.89 FEET; THENCE NORTH 76° 45' EAST, PARALLEL WITH THE SOUTHERLY BOUNDARY OF SAID PARCEL 2, 157.39 FEET TO THE EASTERLY BOUNDARY OF SAID PARCEL 2; THENCE SOUTHERLY, ALONG SAID EASTERLY BOUNDARY, 70.115 FEET; THENCE SOUTH 76° 45' WEST, PARALLEL WITH THE SOUTHERLY BOUNDARY 149.85 FEET TO SAID WESTERLY BOUNDARY; THENCE NORTHERLY, ALONG SAID WESTERLY BOUNDARY, 67.40 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT OVER THAT CERTAIN 40 FOOT STRIP OF LAND KNOWN AS EL VANADA ROAD AND ACROSS THE PROPERTY OF THE CITY AND COUNTY OF SAN FRANCISCO, AS GRANTED TO FLOYD L. BAIRD AND GRACE M. BAIRD, BY GRANT RECORDED JANUARY 24, 1935 IN BOOK 644 OF OFFICIAL RECORDS AT PAGE 192, RECORDS OF SAN MATEO COUNTY, CALIFORNIA.

SAID EASEMENT SHALL BE APPURTENANT TO PARCEL ONE ABOVE AND WAS CREATED BY DEED DATED APRIL 4, 1949 AND RECORDED APRIL 7, 1949 IN [BOOK 1645 OF OFFICIAL RECORDS AT PAGE 648](#) (FILE NO. 84574-H), RECORDS OF SAN MATEO COUNTY, CALIFORNIA.

JPN 051-044-440-08

This Document is Recorded  
For the Benefit of the  
City of San Carlos  
And is Exempt from Fee  
Per Government Code  
Sections 6103 and 27383

When Recorded Mail To:

City of San Carlos  
600 Elm Street  
San Carlos, CA 94070  
Attention: Planning Department

IRREVOCABLE AGREEMENT TO ANNEX  
TO THE CITY OF SAN CARLOS

This Agreement is entered into this   th day of           , 2023 by and between Kyle C. Cady and Christen G. DiPetrillo ("Owners"), and the City of San Carlos, a California municipal corporation ("City") in connection with obtaining sewer services pursuant to City Resolution 1991-102.

RECITALS

A. Kyle C. Cady and Christen G. DiPetrillo are the owner of certain real property commonly known as 83 El Vanada Road, located in the unincorporated area of Palomar Park, within the Sphere of Influence of the City and more particularly described in Exhibit A, hereto (the "Property").

B. As a result of failing septic systems, Owners require the use of the City sewer system and the right to connect to the appropriate sewer system within the City.

C. Pursuant to City Resolution 1991 -102, property located in the unincorporated area of Palomar Park, within the City Sphere of Influence, may connect to the appropriate sewer system upon various conditions, including certification by the Owners that when annexation is possible and physically accessible, the Property will be annexed.

D. Due to failing septic systems and associated health and safety concerns, the Owners seek to comply with the conditions of Resolution 1991-121 in order to connect to the Scenic Heights County Sanitation District ("Scenic Heights District").

NOW, THEREFORE, the parties hereby agree as follows:

1. Irrevocable Consent to Annex. Owners hereby give their irrevocable consent to annex the Property to the City at such time as the annexation may be properly approved through appropriate legal proceedings and Owners do further agree to provide all reasonable cooperation and assistance to the City in the annexation proceedings. Said cooperation shall include signing any applications or consent prepared by the City and submitting any evidence reasonably within the control of Owners to the various hearings required for the annexation. Said cooperation does not include, however, any obligation

on behalf of Owners to institute any litigation or judicial proceedings whatsoever to compel the annexation to the City.

2. Sewer Connection Authorization. The City hereby agrees to authorize the connection of the Property to the Scenic Heights District, as more particularly set forth in that certain Outside Sewer Services Agreement dated \_\_\_\_\_, 2023.

3. Annexation Fees. Upon annexation, Owners agree to pay such annexation fees and costs as would ordinarily be charged to annex property to the City.

4. Sewer Connection Fees. Owners shall pay all fees and charges and make all deposits required by City to connect to and use the Scenic Heights District, as more particularly set forth in that certain Outside Sewer Services Agreement dated \_\_\_\_\_, 2023.

4.1 Said fees shall be valid for a period of one (1) year from the date of execution of this Agreement and shall be paid prior to the issuance of an encroachment permit to connect to sewer. Fees paid after one (1) year of the date of execution of this Agreement shall be subject to the fee amount in effect at that time. Owners also agree to pay any additional fees that may be charged by the Local Agency Formation Commission (LAFCO). Owner agrees to be bound by all City ordinances, rules and regulations respecting the sewer system.

4.2 For clarity, if Owners have already paid the one-time sewer connection fee per section 2.2.2 of the Agreement, then no additional sewer connection fee shall be due upon annexation.

5. Miscellaneous.

5.1 **Cooperation.** Each Party agrees to cooperate with the other parties, to respond timely to all requests for action or approval, to do all things, to execute a documents, and to take all actions which may be requested and/or required of a party to carry out the terms and provisions of this Agreement.

5.2 **Indemnification.** The Owners agree to indemnify, defend and hold harmless City officers, employees and/or agents against any claims, liabilities and/or lawsuits which may arise from the performance of any and all terms and conditions of this Agreement.

5.3 **Amendments.** This Agreement may only be amended by a written agreement executed by all Parties.

5.4 **Assignment.** This Agreement shall be binding upon the successors, heirs and assigns of the Parties, hereto.

5.5 **California Law.** This Agreement shall be governed by the laws of the State of California.

5.6 **Attorneys Fees.** If any legal action is instituted to enforce or interpret this Agreement, the prevailing party(ies) shall be entitled to recover the costs incurred therein, including reasonable attorneys' fees.

5.7 **Entire Agreement.** This instrument contains the sole and entire agreement among the Parties hereto relating to the Property and subject matter of this Agreement and correctly sets forth the rights, duties, and obligations of each Party. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are hereby superseded and of no force or effect.

5.8 **Severability.** If any portion of this Agreement is declared by a court of competent jurisdiction to be void, said portion shall be deemed severed from this Agreement, and the balance of this Agreement shall remain in effect.

5.9 **Notice.** Notice under this Agreement shall be deemed effective upon the deposit int first class mail, postage prepaid and address to the parties as follows:

**CITY:**

June 20, 2023

Packet Pg. 605

City of San Carlos  
600 Elm Street  
San Carlos, CA 94070  
Attention: City Manager

OWNERS:

Kyle C. Cady and Christen G. DiPetrillo  
83 El Vanada Road  
Redwood City, CA 94062

5.10 **Exhibits.** All exhibits to which reference is made in this Agreement, are incorporated in this Agreement by the respective reference to them, whether or not they are actually attached.

5.11 **Recordation.** This Agreement shall be recorded.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

OWNERS:

CITY OF SAN CARLOS:

By:  
Name: Kyle C. Cady

By:  
Name:  
Title:

By:  
Name: Christen G. DiPetrillo

Attest:

## Exhibit C

RESTRICTIVE COVENANT  
REGARDING NO FURTHER SUBDIVISION

This Agreement Regarding No Further Subdivision ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2023 by and between Kyle C. Cady and Christen G. DiPetrillo ("Owners") and the City of San Carlos, a California municipal corporation ("City") in connection with obtaining sewer services pursuant to City Resolution 1991-102.

RECITALS

A. Kyle C. Cady and Christen G. DiPetrillo are the owners of certain real property commonly known as 83 El Vanada Road, located in the unincorporated area of Palomar Park, within the Sphere of Influence of the City and more particularly described in Exhibit A; hereto.

B. 83 El Vanada Road shall be referred to herein as the "Property."

C. Pursuant to City Resolution 1991 - 102, property located in the unincorporated area of Palomar Park, within the City Sphere of Influence, may connect to the appropriate sewer system upon various conditions, including the recordation of a deed restriction specifying that the subject property may not be further subdivided.

D. Due to failing septic systems, the Owners seek to comply with the conditions of Resolution 1991-102 in order to connect the Property to the Scenic Heights County Sanitation District ("Scenic Heights District").

NOW, THEREFORE, the parties hereby agree as follows:

1. No Further Subdivision. The Property shall not be further subdivided.
2. Successors In Interest. This Covenant shall run with the Property and shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.
3. Restrictive Covenant. For itself, its heirs, assigns and successors in interest, in and to the Property, the Owners covenant and agree to abide by the terms herein. This covenant runs in favor of the City. In the event it is necessary for the City to enforce this covenant, it shall be entitled to all attorney's fees and costs.
4. Miscellaneous. This Covenant is irrevocable and may only be modified with written consent of both parties. Further, this Covenant shall be governed by and interpreted in accordance with the laws of the State of California.

June 26, 2023

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Packet Pg. 607

OWNERS:

LAFCo Meeting  
Packet Page 26

CITY OF SAN CARLOS:

By:  
Name: Kyle C. Cady

By:  
Name:  
Title:

By:  
Name: Christen G. DiPetrillo

Attest:

**APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

**RECEIVED**  
JAN 10 2023

**LAFCO**

**A. GENERAL INFORMATION**

1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

Extension of sewer service to 83 El Vanada Rd (APN 051-440-080) pursuant to Government Code Section 56133 by the City of San Carlos.

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

- Landowners or registered voters, by petition.
- An affected public agency, by resolution

**(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)**

3. What are the reasons for the proposal?

To provide sewer service to existing residence with failed septic system with no viable repair or replacement that would be functional and protective of public health (per letter from San Mateo County, EHS Dept dated Oct 6, 2022).

4. Does this application have 100% consent of landowners in the affected area?

- Yes  No

5. Estimated acreage: ~0.23 (~10,000 sqft)

**B. SERVICES**

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

N/A. Proposal requests extension of sewer service and does not propose boundary change.

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for



construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Sewer</i>	<i>None (failed septic)</i>	<i>City of San Carlos</i>	<i>Proponent</i>	<i>Fees</i>

**C. PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

83 El Vanada Rd, unincorporated San Mateo County

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2. Describe the present land use(s) in the subject territory.

Residential

---

3. How are adjacent lands used?

North: residential

South: residential

East: residential

West: residential

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

No.

---



---

5. What is the general plan designation of the subject territory?

Residential, Low Density Residential

---

6. What is the existing zoning designation of the subject territory?

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

None

8. What additional approvals will be required to proceed?

Approval is needed from San Mateo County depts of Public Works, Planning and Building, and Environmental Health. Approval is also needed from the City of San Carlos.

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

The proposed sewer connection will only serve the existing single family house at 83 El Vanada and will replace the failed septic system on the property

\* \* \* \* \*

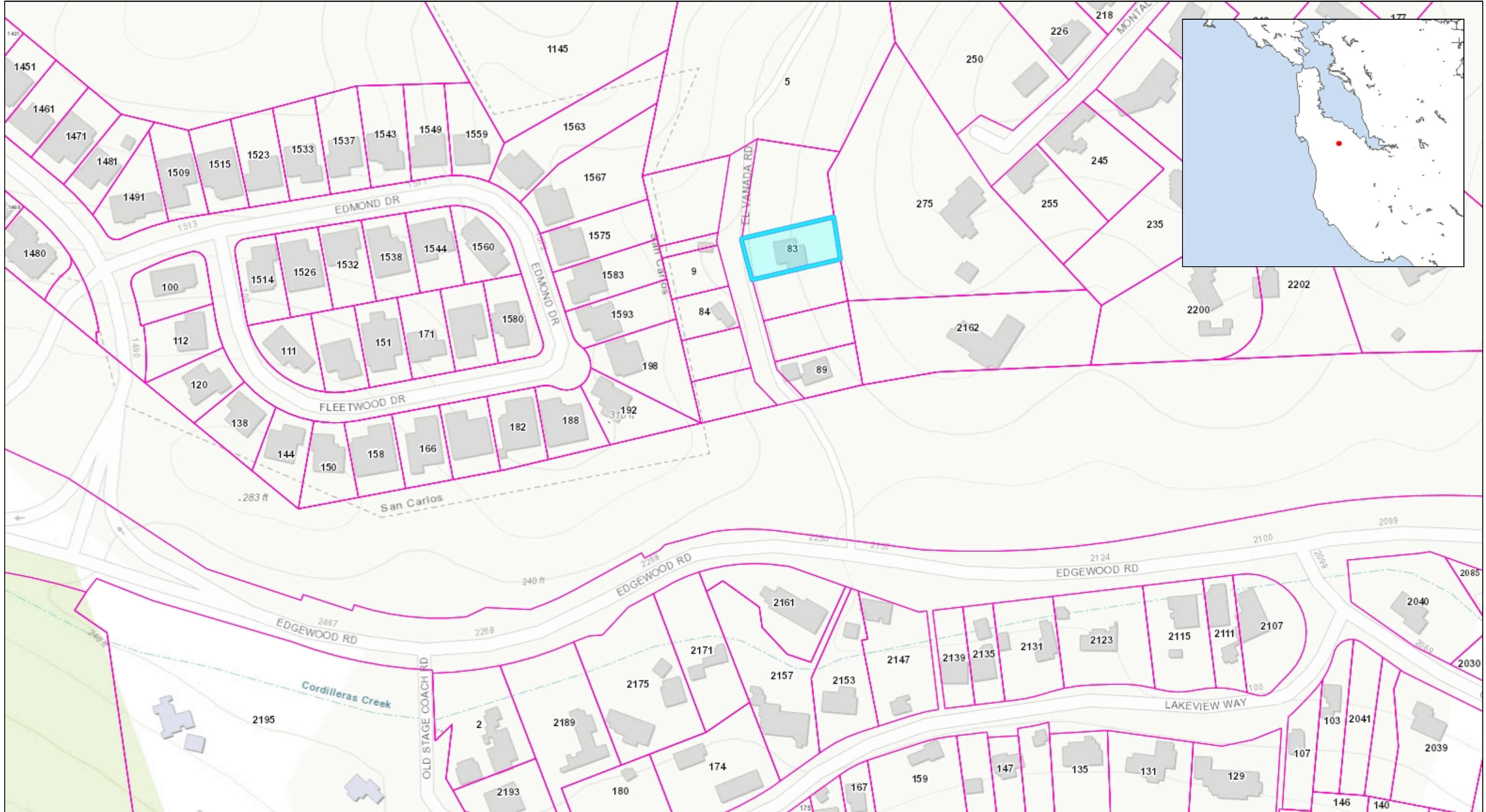
LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: Kyle Cady & Christen DiPetrillo EMAIL: Kyle.c.cady@gmail.com  
Christen.dipetrillo@gmail.com

ADDRESS: 83 El Vanada Rd, Redwood City CA 94062 TELEPHONE: 201-446-0037 (Christen)

ATTN: Rob Bartoli

[Signature]  
Signature of Proponent



WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
© Latitude Geographics Group Ltd.

1: 2,257  
LAFCo Meeting  
Packet Page 31

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
THIS MAP IS NOT TO BE USED FOR NAVIGATION



COUNTY OF SAN MATEO

Heather Forshey, MS, REHS  
Director

Environmental Health Services  
San Mateo County Health  
2000 Alameda de las Pulgas  
Suite 100  
San Mateo, CA 94403  
[smchealth.org](http://smchealth.org)

October 6, 2022

APN 051-440-080

Christen G. DiPetrillo  
Kyle C. Cady  
83 El Vanada Road  
Redwood City, CA 94062

Dear Ms. Dipetrillo & Mr. Cady:

**SUBJECT: DETERMINATION OF FAILED ONSITE WASTEWATER TREATMENT SYSTEM WITH NO FEASIBLE REPAIR OPTIONS, 83 EL VANADA ROAD, REDWOOD CITY (UNINC.), APN 051-440-080**

The onsite wastewater treatment system (OWTS; septic system) at the subject property was reported to Environmental Health by the property owners as having failed. Environmental Health required additional investigation to determine the conditions of the OWTS failure, as well as potential repair or replacement options for the OWTS at the subject parcel. Based on information provided to Environmental Health, as well as investigation by Environmental Health staff, we find that the OWTS at the subject parcel is failed and there is no viable repair or replacement (other than very short-term stop-gap measures) that would be functional and protective of public health. Information considered in this decision includes:

- September 30, 2022, Septic Tank Pumping and Inspection Report – Aaron’s Septic Tank Service,
- September 29, 2022, Septic Professional evaluation and recommendations by SR Hartsell Environmental Health Consulting, for the existing OWTS and inability of the parcel to host a viable OWTS repair or replacement,
- April 27, 2022, Septic System Repair Plan by SR Hartsell Environmental Health Consulting,
- September 2022, photos of existing condition at the subject property,
- March 22, 2022, surveyed topography including relevant features at the subject parcel and adjacent areas.

Based on evaluation of these documents and the property and surrounds, we find that:



SAN MATEO  
COUNTY HEALTH



- The existing 500-gallon septic tank is undersized for the home, lacks baffles for proper operation, and is not suitable to meet County ordinance code and public health objectives,
- The existing single effluent distribution trench is severely undersized for the home, has failed and is not distributing effluent effectively, and as a result, there is septic effluent surfacing at the site during normal operation of the OWTS, creating a public health hazard,
- The majority of the parcel consists of extremely steep slopes above the home (50-100% slopes), and is comprised of solid rock outcrops, making them wholly unsuitable for consideration as effluent leaching areas,
- The only viable area on the parcel for additional effluent leaching trench(s) could accommodate only 13 feet of effluent distribution trench, however, that area could not meet appropriate setbacks from the home, the property lines, or the large stormwater conveyance crossing the front of the home, which would likely result in a preferential pathway for transport and surfacing of septic effluent,
- Site soils are low permeability and are not appropriate for effective effluent distribution so as to be protective of public health.

**Based on the conditions of the existing OWTS, as well as there being no area at this parcel where an effective OWTS repair or replacement could be installed that would be protective of public health, we recommend that the home at this parcel obtain an emergency connection to sanitary sewer as soon as feasible so as to protect public health from surfacing effluent.** We suggest that you contact LAFCO to determine next steps in pursuing a sewer connection.

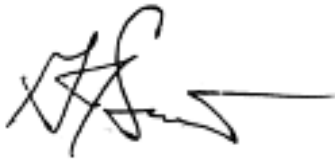
In the meantime, you must 1) have your septic tank pumped as often as necessary to ensure no surfacing of septic effluent at the property, 2) have the existing leach trench further evaluated by a septic contractor to make all attempts to improve existing conditions to precluded surfacing of septic effluent at the property, 3) consider permitting and installation (under permit with Environmental Health) of the identified potential 13-foot long leach trench to help avoid further surfacing of septic effluent while you pursue connection to sanitary sewer. This would also require determination of depth to groundwater and percolation rates in the area of the proposed trench.

October 6, 2022

Page 2

Please note that this is a determination of the adequacy of the existing OWTS and potential for repair or replacement OWTS only. It is not meant to comment on the condition of existing structures at the property. If you have any questions, please call me at (650) 372-6279.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Smith', with a long horizontal line extending to the right.

Gregory J. Smith, PG, REHS

Supervisor Water Protection and Land Use Programs

cc: Rob Bartoli, San Mateo Local Agency Formation Commission  
Ann Stillman, San Mateo County Public Works  
Steve Monowitz, San Mateo County Planning & Building Department



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

July 13, 2023

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** LAFCo File No. 23-02 - Proposed Outside Service Agreement for Water Service by the City of Redwood City to 570 Like Oak Lane, Unincorporated Redwood City (APN 057-163-090)

## Summary

Pursuant to Government Code Section 56133, Commission approval is required for extension of service by local agencies to territory outside the agency's boundaries. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the City of Redwood City has applied by resolution for extension of water service to a new residential single-family home at 570 Live Oak Lane, Unincorporated Redwood City (APN 057-163-090).

The project area is within the Sphere of Influence of the City of Redwood City. However, the property is not contiguous to a City boundary and annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. LAFCo staff supports an Outside Service Agreement in lieu of annexation. However, as a condition of approval the property owner shall record a document consenting to future annexation of the property to the City. Commission approval is recommended.

## Departmental Reports

**County Assessor:** The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$231,877. The boundaries of the Outside Service Agreement as proposed conform to lines of assessment and ownership.

**County Clerk:** The Outside Service Agreement would not change or conflict with any political subdivision boundaries. In the event that the parcel is annexed by the City of Redwood City, it

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



would need to be changed from an unincorporated area precinct to a precinct within the City of Redwood City.

*County Public Works:* The proposal does not propose changes to the streets or right of way. Emerald Lake Heights Sewer Maintenance District will provide sanitary sewer service to the property once the applicant constructs the lateral and pay required fees.

*County Planning:* The County's land use designation is residential, medium low density residential, and the County encourages the use of sewerage system as a method of wastewater management in urban areas. The City's land use designation is residential – low density. The property has secured a certificate of compliance verifying legality of the parcel and completed design review. A building permit application is currently under review (BLD2022-00389). County Planning recommends approval of the proposal.

*City of Redwood City:* The proposal is consistent with the General Plan and is compatible with adopted plans for extending services. The Outside Service Agreement and application for water service was approved by the Redwood City City Council on June 26<sup>th</sup>, 2023. The water connection is conditioned upon the property owner signing and recording a Declaration of Restriction Agreement consenting to deferred annexation and waiver of protest if annexation is proposed.

*County Environmental Health:* The City of Redwood City provides the available water and sewer service in the area. Environmental Health approves this Outside Service Agreement.

### **Executive Officer's Report**

This proposal has been submitted by resolution by the City of Redwood City to connect a new single-family dwelling to City water.

The subject property is within the Sphere of Influence of the City but is not contiguous to a City boundary. Therefore, annexation of the parcel at this time would not create a logical boundary or improve the delivery of services. If annexed now, 570 Live Oak Lane, the property would become an incorporated island. In these circumstances, LAFCo's adopted Outside Service Agreement policy permits the extension of services when annexation is infeasible. Approval of the Outside Service Agreement is recommended, pending consent to deferred annexation and protest waiver if annexation is proposed as required by the City of Redwood City and San Mateo LAFCo policy.

### **California Environmental Quality Act**

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 3, as it consists of a service extension for an exempt facility (up to three single-family residences and utilities, including water, to serve them).

### **Recommended Commission Action**

By motion, approve LAFCo File No. 23-02: Proposed Outside Service Agreement for Water Service by the City of Redwood City to 570 Like Oak Lane, Unincorporated Redwood City (APN

057-163-090), pursuant to Government Code Section 56133 with the following condition of approval:

- 1) The applicant shall record the deferred annexation agreement with the San Mateo County Recorder's Office and provide a copy of the recorded document to LAFCo, prior to the issuance of the approval letter for the Outside Service Agreement for 570 Live Oak Lane, Unincorporated Redwood City.

**Attachments**

- A. Copy of City of Redwood City Resolution and Draft Deferred Annexation Agreement/ Declaration of Restricted Agreement
- B. Application
- C. Vicinity Map

cc: Christian Craig and Javier Sierra, City of Redwood City  
Kanoa Kelly, San Mateo County Planning  
Greg Smith, San Mateo County Environmental Health  
Francoise Monet, Property Owner

**RESOLUTION NO. 16147****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AUTHORIZING APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION REQUESTING APPROVAL FOR EXTENSION OF WATER SERVICES TO 570 LIVE OAK LANE (APN 057-163-090) OUTSIDE JURISDICTIONAL BOUNDARIES PURSUANT TO GOVERNMENT CODE SECTION 56133**

**WHEREAS**, the property located at 570 Live Oak Lane, APN 057-163-090 (the "Property"), Unincorporated San Mateo County, California is outside the jurisdictional boundaries of the City of Redwood City (the "City"), but inside the City's sphere of influence and water service area; and

**WHEREAS**, the County of San Mateo is processing an application for the construction of a new single-family home on the Property; and

**WHEREAS**, the County of San Mateo's approval of the building permits is conditioned upon the property owner obtaining a new water connection and service for the proposed residence from the City; and

**WHEREAS**, the property owner has requested that the City provide water services to the proposed single-family home on the Property; and

**WHEREAS**, this project is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15303(d) (New Construction or Conversion of Small Structures).

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY, AS FOLLOWS:**

1. The City Manager or their designee is hereby authorized to submit an application to the Local Agency Formation Commission ("LAFCo") requesting approval of an extension of the water service outside the City's jurisdictional boundaries, and within the City's sphere of influence and water service area to 570 Live Oak Lane, Unincorporated San Mateo County, California (APN 057-163-090) pursuant to California Government Code Section 56133 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

2. The water service connection proposed for the single-family residence at the property is subject to the following conditions and fees:

- a. LAFCo approval of the application for the proposed water service connection;
- b. Property owner's payment of LAFCo fees;

c. After approval of the construction drawings by the San Mateo County Building Department and upon application for new water service, property owner's payment of all applicable Redwood City fees, including connection fees associated with providing proposed water service;

d. Property owner's payment of the City's water service annexation fees;

e. Property owner's installation, or payment for the City to install, a new water service line;

f. Property owner shall pay the fees for any construction permit in connection with all above improvements, and shall pay associated costs for plan review and inspections;

g. Property owner is responsible for the design, construction, and connection of any water main modifications or extensions necessary to provide adequate flow for domestic use and fire suppression, in accordance to City Code Section 38.26 and as determined by the City;

h. Property owner shall adhere to all the review comments and conditions of service stated by the City.

3. The Local Agency Formation Commission (LAFCo) of San Mateo County is hereby requested to take proceedings in the manner provided by California Government Code Section 56133.

\* \* \*

Passed and adopted by the Council of the City of Redwood City at a  
Joint City Council/Successor Agency Board/Public Financing Authority Meeting  
thereof held on the 26th day of June 2023 by the following votes:

AYES: Aguirre, Eakin, Howard, Martinez Saballos, Sturken, Vice  
Mayor Espinoza-Garnica, and Mayor Gee  
NOES: None  
ABSENT: None  
ABSTAINED: None  
RECUSED: None



---

Jeff Gee  
Mayor of the City of Redwood City

Attest:



---

Pamela Aguilar, CMC  
City Clerk of Redwood City

I hereby approve the foregoing resolution this  
29<sup>th</sup> day June 2023.



---

Jeff Gee  
Mayor of the City of Redwood City

RESO. # 16147  
MUFF # 304

**RECORDING REQUESTED BY AND  
AFTER RECORDING MAIL TO:**

**LOCAL AGENCY FORMATION COMMISSION  
455 COUNTY CENTER  
REDWOOD CITY, CA 94063**

**With a copy to:  
CITY CLERK  
CITY OF REDWOOD CITY  
P.O. BOX 391  
1017 MIDDLEFIELD ROAD  
REDWOOD CITY, CA 94064**

**APN: 057-163-090**

**SPACE ABOVE RESERVED FOR RECORDER'S USE  
Exempt from recording fee per Gov. Code § 27383.**

**DECLARATION OF RESTRICTION**

**THIS DECLARATION OF RESTRICTION** (“Declaration”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023, by the Property Owner(s), Francoise Monet and Philippe Branchu, (“Owner”).

**WITNESSETH:**

**WHEREAS**, Owner owns all that certain real property situate in the County of San Mateo, State of California, commonly known as APN 057-163-090, Live Oak Lane the “Property”), as more particularly described in Exhibit “A,” attached hereto and incorporated herein by this reference; and

**WHEREAS**, the Property is located outside the jurisdictional boundaries of the City of Redwood City, a charter city and municipal corporation of the State of California, (“City”), and not contiguous to the City’s boundary, but within the City’s Sphere of Influence as determined by the San Mateo County Local Agency Formation Commission (the “Commission”); and

**WHEREAS**, on May 8, 2023, the City Council of the City adopted Resolution No. \_\_\_\_\_, authorizing the application by the City to the Commission requesting approval for extension of water service to serve a new single family residence on the

Property pursuant to Government Code Section 56133 and in compliance with Redwood City Municipal Code Chapter 38 (Water System Regulations); and

**WHEREAS**, as a condition to said water service connection, the Commission required the Owner to evidence consent to annexation to City and waiver of protest to such annexation in the event the Property were to be proposed for annexation to City; and

**WHEREAS**, Owner desires to evidence such consent and waiver; and

**WHEREAS**, Owner understands that any future annexation to City is subject to any and all City rights and determinations, whether legislative, quasi-judicial, administrative, or however characterized, with respect to any proposed annexation of the Property to City.

#### **A G R E E M E N T :**

**NOW, THEREFORE, Owner agrees as follows:**

1. **CONSENT**. In the event that the Property shall be proposed for annexation to the City, Owner hereby consents to said annexation, and hereby waives Owner's rights to protest such annexation pursuant to the provisions of law governing such annexations.

2. **TAXES, OTHER CHARGES**. In the event annexation of the Property to City shall be duly approved by all agencies having jurisdiction thereof, Owner agrees that the Property shall be subject to any and all general, special, extraordinary, or additional taxes or assessments or any and all general, special extraordinary, or additional service charges, fees, or rates, levied against, imposed upon, or otherwise pertaining to the Property by any and all agencies, including the City, having jurisdiction thereof in the same fashion as other like property located within the territorial limits of City.

3. **SUCCESSORS**. This Declaration and all of the terms, conditions, covenants and declarations herein contained shall be binding upon, and shall inure to the benefit of, Owner, and Owner's administrators, heirs, assigns, and transferees.

4. **RUNS WITH THE LAND; RECORDATION**. This Declaration pertains to and shall run with the Property. Upon execution, this Declaration shall be recorded in the Official Records of San Mateo County.

5. **CAPTIONS**. Paragraph headings as used herein are for convenience only and shall not be deemed to affect the meaning or intent of the paragraph headed thereby.

**IN WITNESS WHEREOF**, Owner has executed this Declaration the date and year first hereinabove written.

**OWNER**

\_\_\_\_\_  
Francoise Monet, Owner

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

***[Signature must be notarized]***

\_\_\_\_\_  
Philippe Branchu, Owner

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

***[Signature must be notarized]***



**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): 057-163-090**

---

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 25, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED EMERALD LAKE PARK, REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA, FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 21, 1918 IN BOOK 10 OF MAPS, AT PAGE 19.

EXCEPTING THEREFROM ALL THAT PORTION GRANTED TO ALBERT MONTANARO AND JEANETTE MONTANARO BY DEED RECORDED SEPTEMBER 13, 1935 IN BOOK 662, PAGE 279 OF OFFICIAL RECORDS, PURSUANT TO CERTIFICATE OF COMPLIANCE, RECORDED JULY 24, 2019, RECORDING NO. 2019-058052, SAN MATEO COUNTY RECORDS.

JPN: 057-016-163-09

APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMITTEE

RECEIVED FEB 28 2023

LAFco

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

NEW WATER SERVICE FOR NEW DEVELOPMENT - 570 LIVE OAK LANE, RWC, CA / APN # 057163090

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

- [X] Landowners or registered voters, by petition
An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

NEED NEW WATER SERVICE TO NEW RESIDENTIAL SINGLE FAMILY HOME

4. Does this application have 100% consent of landowners in the affected area?

- [X] Yes [ ] No

5. Estimated acreage: 1 or less acres

B. SERVICES

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

Redwood City, RWC WATER

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none")

if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
Police (example)	Co. Sheriff	City Police	N/A	Taxes
Sewer (example)	None	City of ...	Proponent	Fees
WATER	NONE	CITY OF REDWOOD City	Proponent	Fees.

**C. PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

APN 057163090, VACANT LAND, HENRIAZO HILLS

2. Describe the present land use(s) in the subject territory.

VACANT LAND (APN 057163090)

3. How are adjacent lands used?

North: Single Family Residency

South: Single Family Residency

East: Single Family Residency

West: Single Family Residency

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

Construction of a new 2 story conventionally wood-framed, type VP, 2 single family residency.

LAFCO

5. What is the general plan designation of the subject territory?

Medium Low Density Residential

6. What is the existing zoning designation of the subject territory?

RH-DR

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

Design Review by San Mateo County

8. What additional approvals will be required to proceed?

Permit in process with the building department of San Mateo County - Permit # JBCD 2022-00389

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

N/A

\*\*\*\*\*

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: FRANCOISE MONET

EMAIL: fmmoret@yahoo.com

ADDRESS: 1533 Brewster Ave.

TELEPHONE: 650-716-7189

ATTN: RWC, CA 94062

[Handwritten Signature]

  
Signature of Proponent

Applica\_blk.doc  
(10/6/2000)

**RECEIVED**

**FEB 28 2023**

**LAFCO**

FEB 28 2023

LAFCO


Addendum to Application titled LAFCo File No. \_\_\_\_\_

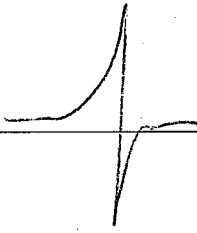
Proposed New Water off for (Address) 570 Live Oak Lane  
Service

RWC, CA  
(APN 057163090)

APN's (List)  
to 057163090

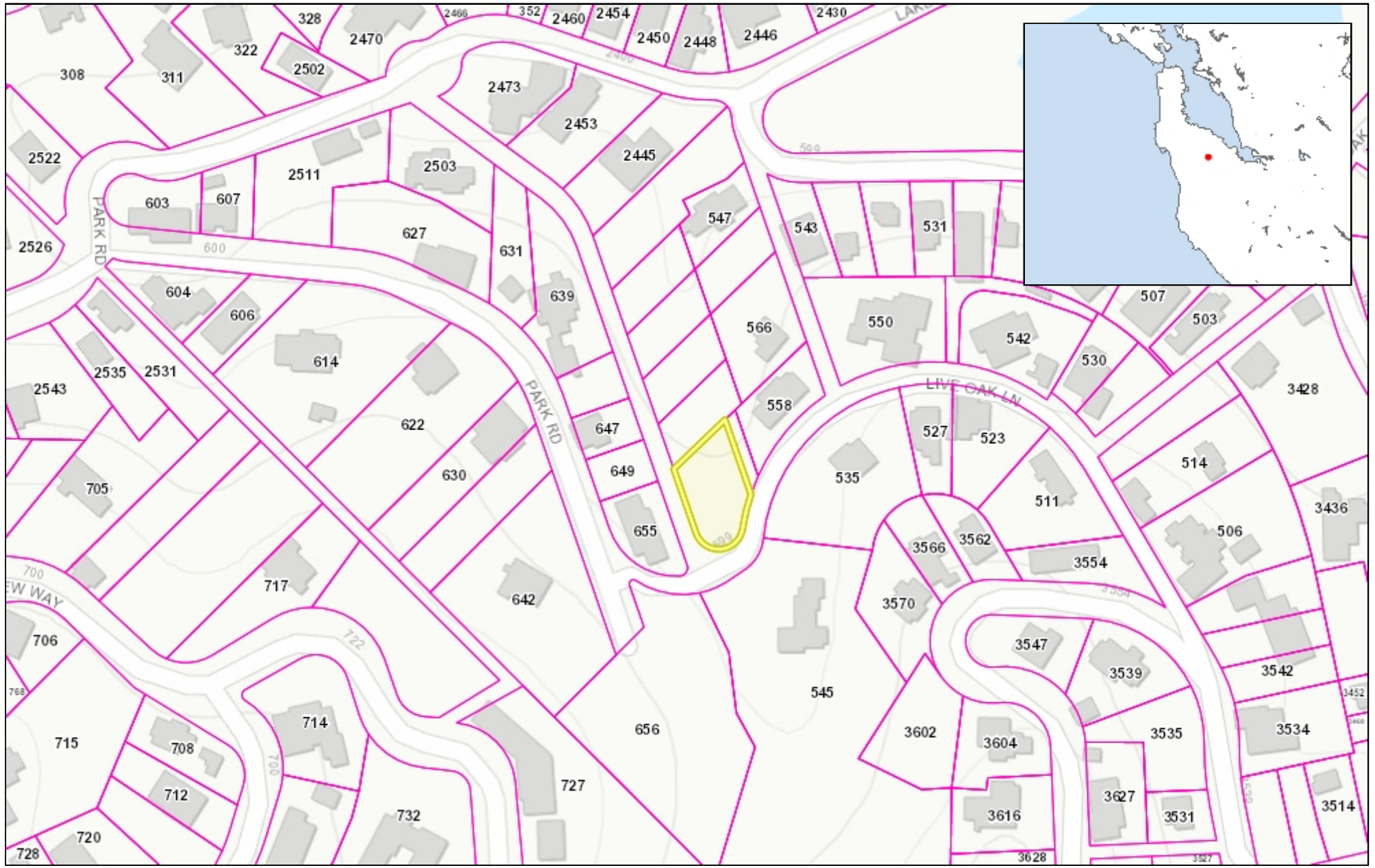
*As part of above noted application submitted by petition, the Chief Applicants, (Name of Applicants) as Applicants and subject landowner(s), real parties in interest, agree to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.*

 Date 2/6/2023

 Date 2/4/2023

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_



WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
 © Latitude Geographics Group Ltd.

1:2,257

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

July 13, 2023

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** LAFCo File No. 23-05 - Proposed annexation of 118 Mapache Drive, Portola Valley (APN 077-021-200) to West Bay Sanitary District

## Summary

This proposal, submitted by landowner petition, requests annexation of 118 Mapache Drive, Portola Valley (APN 077-021-200) to West Bay Sanitary District and connection to the District's sewer main. The property owner is planning for future construction on the property, which would be limited by the existing on-site septic system. The proposal has 100 percent landowner consent and waiver of conducting authority proceedings is also requested. Commission approval is recommended.

## Departmental Reports

*County Assessor:* The total net assessed land valuation for the parcel shown in the records of the County Assessor is \$4,572,150. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

*County Clerk:* The territory has three registered voters. If the annexation is approved, the property will need to be assigned to a precinct that includes West Bay Sanitary District.

*Town of Portola Valley:* The Town's General Plan designation is low residential (1-2 acres per dwelling unit) and the proposal is compatible with the City general and specific plans. It will be necessary for any work to be reviewed by Town Planning and Public Works, and an encroachment permit is required.

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



*County Environmental Health:* The California Water Service Company and West Bay Sanitary District provide the available water and sewer service in the area. The applicant must pay an application fee to Environmental Health prior to connecting to West Bay Sanitary District and must obtain a permit for septic tank abandonment, which shall be inspected and approved by Environmental Health. Currently, there is one septic system in use at the property that will need to be abandoned under permit with Environmental Health.

*West Bay Sanitary District:* Annexation to the on-site wastewater disposal zone (ZONE) will be required and the proponent will be required to construct a Septic Tank Effluent Pump (STEP) System on the property and may require a force main extension to connect to the existing force main on Westridge Drive. All costs will be paid by Proponent. In addition, fees for annexation, permits, connection fees, annual service charges and reimbursement fees associated with this connection will be required.

### **Executive Officer's Report**

This proposal has been submitted by landowner petition. The territory proposed for annexation is located at 118 Mapache Drive, Portola Valley, between Westridge Dr and Larguita Lane. If a future sewer connection to the property is made, the property would connect to the existing force main on Westridge Drive.

The annexation area is within the sphere of influence of West Bay Sanitary District adopted by the Commission in 1984 and is consistent with the District's plans for extending service. Approval of the annexation is recommended.

### **Annexation to the On-Site Wastewater Disposal Zone**

Sections 6960.3 and 6974 of the Health and Safety Code governing sanitary districts require LAFCo approval for formation of, or annexation to, an On-site Wastewater Disposal Zone (Zone) in counties in which LAFCo has added special district members to the Commission and adopted Rules and Regulations Affecting the Functions and Services of Independent Special Districts. West Bay Sanitary District operates a Zone within its jurisdiction to maintain pumping systems where gravity flow to the sewer main is not possible. Annexation of these properties to the Zone is necessary for the District to maintain the pumping system that will be constructed as part of the sewer connection. Staff recommends approval of annexation to the Zone.

### **California Environmental Quality Act**

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities)

### **Waiver of Conducting Authority Proceedings**

Section 56662(a) of the Cortese-Knox-Hertzberg (CKH) Act specifies that the Commission may waive conducting authority proceedings for annexations of uninhabited territory with 100 percent landowner consent provided that no objection is submitted by subject property owners or voters. The purpose of the conducting authority proceedings is to measure landowner or voter protest within the affected territory. The landowners have requested, and staff recommends waiver of conducting authority proceedings.

**Recommended Commission Action by Resolution**

By resolution, approve LAFCo File No. 23-05 - Proposed annexation of 118 Mapache Drive, Portola Valley (APN 077-021-200) to West Bay Sanitary District to West Bay Sanitary District, subsequent annexation to the On-site Wastewater Disposal Zone and Waiver of Conducting Authority Proceedings.

**Attachments**

- A. Application
- B. Vicinity Map
- C. Resolution No. 1308

cc: Sergio Ramirez and Jason Feudale, West Bay Sanitary District  
Carol Borck, Town of Portola Valley  
Andrew Smith, San Mateo County Assessor  
Penny Boyd, San Mateo County Clerk  
Gregory Smith, San Mateo County Environmental Health  
Michael Trigg, Property Owner

**PETITION  
FOR PROCEEDINGS PURSUANT TO  
THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT  
OF 2000**

The undersigned hereby petition(s) the Local Agency Formation Commission of San Mateo County for approval of a proposed change of organization or reorganization, and stipulate(s) as follows:

1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
2. The specific change(s) of organization proposed (i.e., annexation, detachment, reorganization, etc. is/are: **annexation of subject parcel at 118 Mapache Drive, Portola Valley into San Mateo LAFCo and West Bay Sanitary District.**
3. The boundaries of the territory included in the proposal are as described in Exhibit(s) attached hereto and by this reference incorporated herein.
4. The territory(ies) included in the proposal is/are:  
  
\_\_ inhabited (12 or more registered voters) **x** Uninhabited
5. This proposal is **x** is not \_\_ consistent with the sphere of influence of the affected city and/or district(s).
6. The reason(s) for the proposed **annexation** (annexation, detachment, reorganization, etc.) is/are: **existing septic system on-site needs to be brought up to code due to planned expansion and would constraint future site's improvements and expansion.**
7. The proposed **annexation** is requested to be made subject to the following terms and conditions: **n/a**
8. The persons signing this petition have signed as:  
  
\_\_ registered voters or **x** Owners of land (check one) within the subject territory.

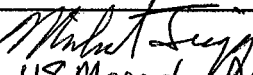
**RECEIVED**

**JUN 27 2023**

**LAFCO**

Wherefore, petitioner(s) request(s) that proceedings be taken in accordance with the provisions of Section 56000, et seq. Of the Government Code and herewith affix signatures as follows:

Chief Petitioners (not to exceed three):

Date:	Printed Name:	Signature/Residence Address:	APN*
6/22/23	Michael Trigg	 118 Mapache Drive Portola Valley, CA 94028	077-021-200

\*Assessor's Parcel Number of parcel(s) proposed for annexation.

RECEIVED

JUN 27 2023

LAFCO

**APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT  
TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

**A. GENERAL INFORMATION**

1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

**The proposed change of organization is to connect the proposed lot of 118 Mapache Drive, Portola Valley to West Bay Sanitary District. The proposed connection is located on Westridge Drive.**

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

Landowners or registered voters, by petition  
 An affected public agency, by resolution

**(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)**

3. What are the reasons for the proposal?  
**The existing septic system on-site needs to be brought up to code due to planned expansion and would constraint future site's improvements and expansion.**

4. Does this application have 100% consent of landowners in the affected area?

Yes  No

5. Estimated acreage: **2.52 acres**

**B. SERVICES**

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

**West Bay Sanitary District**

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

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SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Sewer</i>	<i>None (Septic)</i>	<i>West Bay Sanitary District</i>	<i>Proponent</i>	<i>Fees</i>

C. **PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

**118 Mapache Drive is immediately West of Westridge Drive and South for Freeway 280. The territory is enveloped by Larguta Lane, Mapache Drive, and Westridge Drive.**

2. Describe the present land use(s) in the subject territory.

**The current land use of the lot is Residential Single Family**

3. How are adjacent lands used?

North: **Residential Single Family**

South: **Residential Single Family**

East: **Residential Single Family**

West: **Residential Single Family**

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

**Yes. The subject parcel shall be connected to existing sewer forcemain on Westridge Drive with new STEP system.**

5. What is the general plan designation of the subject territory?

**Residential Single Family**

6. What is the existing zoning designation of the subject territory?

**R-E/2.5/SD-2.5**  
**Residential Single Family**

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

The parcel is exempted from CEQA review

8. What additional approvals will be required to proceed?

Permit Class 1A, Class 3, and abandonment of Septic system are required

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

None

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

Yes. By annexing the subject parcel to sewer and abandoning septic system, the site will have more room and potential for development without the required setbacks or upgrade needed to the existing septic system.

\* \* \* \* \*

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

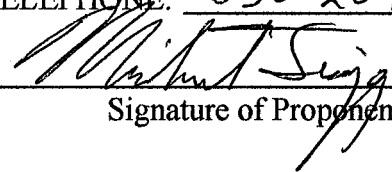
NAME: Michael Trigg

EMAIL: mtrigg254@gmail.com

ADDRESS: 118 Mapache Dr.  
Portola Valley, CA 94028

TELEPHONE: 650-269-6655

ATTN: \_\_\_\_\_

  
Signature of Proponent

Applica\_blk.doc  
(10/6/2000)

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Addendum to Application titled LAFCo File No. --  
Proposed Annexation of 118 Mapache Drive, Portola Valley, CA

APN's 077-021-200  
to West Bay Sanitary District

As part of above noted application submitted by petition, the Chief Applicants, **Michael Trigg** as Applicants and subject landowner(s), real parties in interest, agree to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.

  
Michael Trigg

Date 6/22/23

\_\_\_\_\_  
Date \_\_\_\_\_

\_\_\_\_\_  
Date \_\_\_\_\_

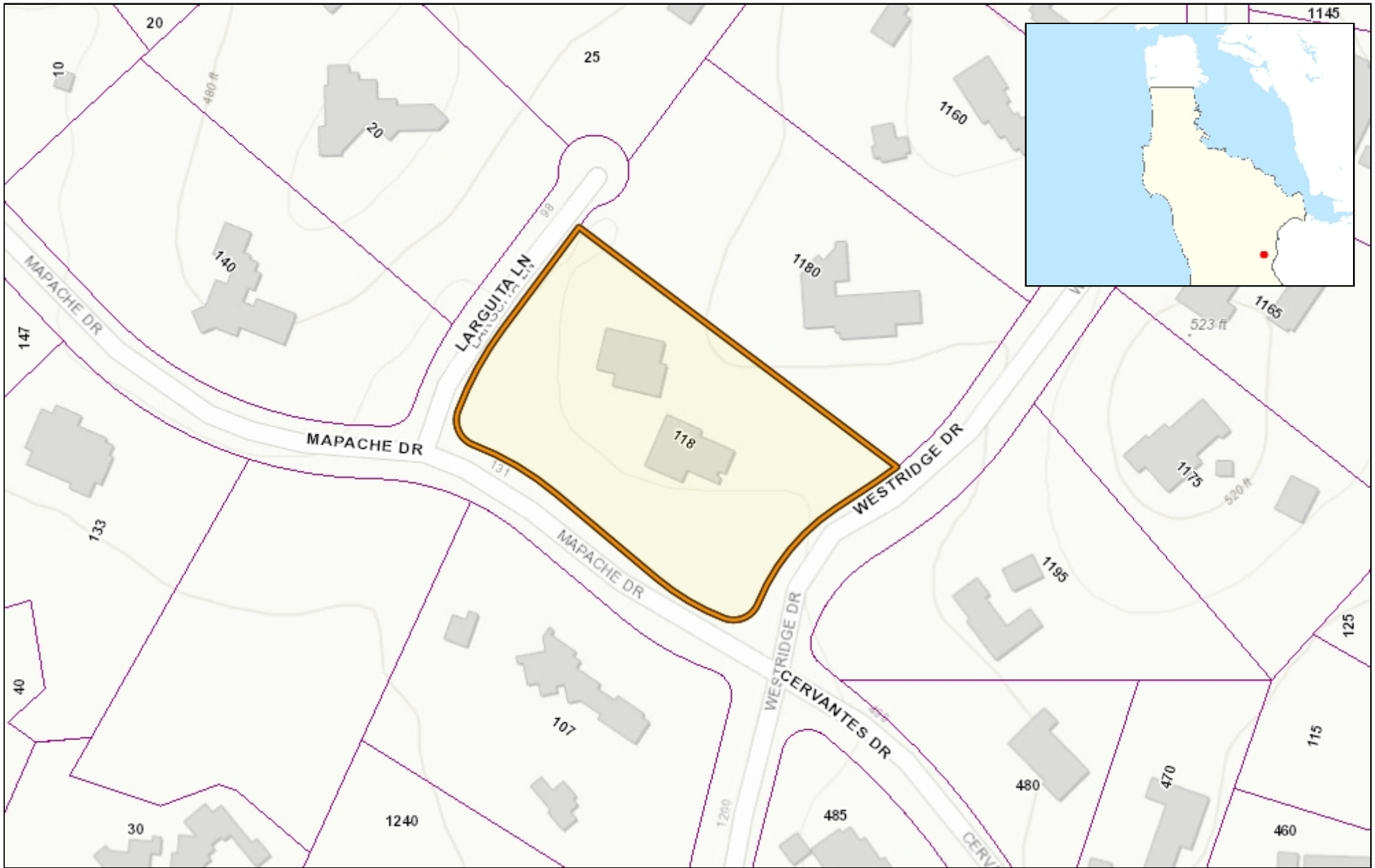
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© Latitude Geographics Group Ltd.

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

RESOLUTION NO. 1308

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS, APPROVING LAFCO FILE 23-05 -  
ANNEXATION OF 118 MAPACHE DRIVE, PORTOLA VALLEY, (APN 077-021-200)  
TO THE WEST BAY SANITARY DISTRICT AND THE ON-SITE WASTEWATER DISPOSAL ZONE, AND  
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

**RESOLVED**, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

**WHEREAS**, a proposal for the annexation of certain territory to the West Bay Sanitary District in the County of San Mateo was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

**WHEREAS**, the Executive Officer has reviewed the proposal and prepared a report, including the recommendations thereon, the proposal and report having been presented to and considered by this Commission; and

**WHEREAS**, it appears to the satisfaction of this Commission that all owners of the land included in the proposal consent to the proceeding; and

**WHEREAS**, a public hearing by this Commission was held on the proposal and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

**WHEREAS**, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

**NOW, THEREFORE**, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. This proposal is approved, subject to the following conditions: None.

Section 2. The boundaries as set forth in the application are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The territory consists of 2.52 acres, is found to be uninhabited, and is assigned the following distinctive short form designation: Annexation of 118 Mapache Drive, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

Section 5. Subsequent annexation to the On-Site Wastewater Disposal Zone is hereby approved.

Regularly passed and adopted this \_\_\_\_ day of \_\_\_\_\_.

Ayes and in favor of said resolution:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes and against said resolution:

Commissioner(s):

\_\_\_\_\_

Absent and/or Abstentions:

Commissioner(s):

\_\_\_\_\_

\_\_\_\_\_

Chair  
 Local Agency Formation Commission  
 County of San Mateo  
 State of California

ATTEST:

\_\_\_\_\_

Rob Bartoli  
 Executive Officer  
 Local Agency Formation Commission

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

I certify that this is a true and correct copy of the resolution above set forth.

\_\_\_\_\_

Clerk to the Commission  
 Local Agency Formation Commission

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

SAN MATEO



## LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**July 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Update Regarding LAFCo File No. 22-09 – A proposal to establish the East Palo Alto Sanitary District (EPASD), an independent special district, as a subsidiary district of the City of East Palo Alto (City)

### Update

On November 10, 2022, an application proposal (LAFCo File No. 22-09) was submitted to San Mateo LAFCo by the City of East Palo Alto (City) to establish the East Palo Alto Sanitary District (EPASD), an independent special district, as a subsidiary district of the City.

On June 15, 2023, San Mateo LAFCo issued a Certificate of Filing for LAFCo File No. 22-09, as the application contained the required information and data as required by San Mateo LAFCo and State Law. A hearing for the proposal was set for July 19, 2023 at 6:00p.m. at the City of East Palo Alto Council Chambers. California Government Code § 56658(h) states that a hearing on the proposal shall be held within 90 days of the issuance of the Certificate of Filing.

On July 12, 2023, the EPASD Board adopted a resolution of intention to file an alternative proposal, as permitted by California Government Code § 56861. The filing of a resolution of intent triggers a 70-day period in which the Executive Officer shall take no further action on the original proposal. As such, LAFCo staff has removed LAFCo File No. 22-09 from the agenda for the July 19, 2023 LAFCo meeting. The item will be brought back for a hearing on both the original proposal from the City and alternative proposal from EPASD at a later date. When the item is set of hearing, a new public notice of the hearing will be published.

### Recommendation

Receive the report.

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

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# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**July 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Approval of Amendment 1 to the Broadmoor Police Protection District Special Study

## Background and Summary

On March 15, 2023, LAFCo Commissioners approved the Broadmoor Police Protection District (BPPD or District) Special Study, which evaluated the operations and services provided by the District and focused on the District's operations, finances, and governance. Prior to Study adoption, LAFCo staff shared the administrative and draft versions of the study for review and input. In addition, LAFCo staff presented the study to the BPPD Board on January 10, 2023 and to the Broadmoor Property Owners Association on January 19, 2023.

Shortly after the adoption of the Special Study, Broadmoor Police Chief Mike Connolly inquired about the source of the calls for service data included in the report. LAFCo staff informed Chief Connolly that the calls for service data had been provided by Interim Chief Mark Melville. Chief Connolly stated that the data was incorrect and provided a new data set to staff on May 22, 2023. Staff reviewed the new data and compared it with data provided by San Mateo County Public Safety Communications and confirmed the new data submitted by BPPD was accurate. Below is the revised table to the Special Study showing the update data for calls for service

**Table 2. Updated Comparison of Costs of Police Services**

Agency	Police Budget	Calls for Service	Cost per Call for Service
BPPD (FY22)	\$2,692,985	<del>6,772-750</del>	<del>\$398</del> <del>\$3,591</del>
City of Daly City PD (FY22)	\$48,030,642	57,177	\$840
Town of Colma PD (FY22)	\$9,167,209	23,458	\$390

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC • KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT • VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT • HARVEY RARBACK, CITY • TYGARJAS BIGSTYCK, CITY • WARREN SLOCUM, COUNTY • RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT • ANN SCHNEIDER, CITY • JAMES O'NEILL, PUBLIC • NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER • SOFIA RECALDE, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL • ANGELA MONTES, CLERK

County Service Area 1 (Sheriff Service) (FY22)	\$866,555	2,110	\$411
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In FY 21-22, the District received 6,772 calls for service, and the cost per call was \$398. The updated cost per call was comparable to the Town of Colma and County Service Area 1 (Highlands), both of which, like Broadmoor, are smaller communities with less than 10,000 residents. The top 3 service calls, as a percentage of total calls, to BPPD in FY 21-22 were passing checks (22%), traffic stops (17%) and follow-ups (8%). The most frequent call for service in FY 21-22 for Colma and CSA-1 was also passing checks, at 31% and 29%, respectively. Passing checks represented only 3% of total service calls received by Daly City in FY 21-22.

The above changes do not impact the determinations and recommendations noted throughout the Special Study, practically those related to the fiscal health of BPPD. Staff will continue to work with the District and affected agencies to address issues related to short- and long-term financial planning and ongoing delivery of police service.

**Recommendation**

- 1) Open the public hearing and accept public comment; and
- 2) Approve Amendment 1 of the Final Special Study for the Broadmoor Police Protection District

**Attachments**

- A. Broadmoor Police Protection District Special Study – Amendment 1 (with redlined changes) Page 6

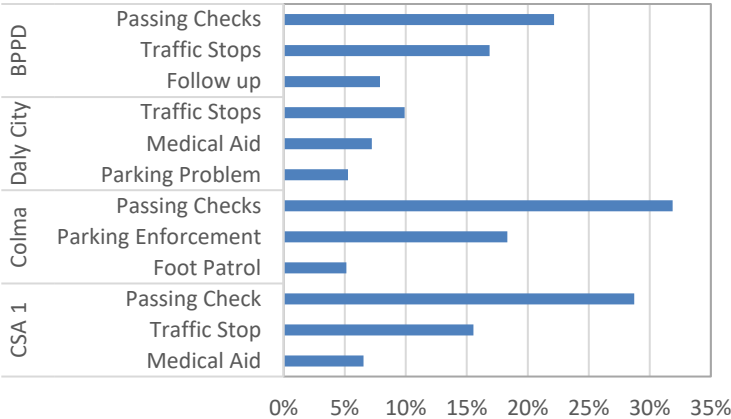
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County Service Area 1 (Sheriff Service) (FY22)	\$866,555	2,110	\$411

The Broadmoor Police Protection District handles a variety of public assistance, patrol, traffic enforcement, as well as emergency Priority 1 response calls. The overall calls for **service in FY 21-22** totaled approximately **6,772** calls and with a budget of \$2,692,985, that equates to **\$398** per call response. **The District’s cost per call is comparable to the Town of Colma and County Service Area 1 (Highlands), both of which, like Broadmoor, are small communities with less than 10,000 residents.**

**The top 3 service calls as a percentage of total calls to BPPD in FY 21-22 were passing checks (22%), traffic stops (17%) and follow-up (8%). The most frequent call for service in FY 21-22 for the Colma and CSA-1 was also passing checks, at 32% and 29% percent of all calls, respectively. Passing checks represented only 3% of total service calls received by the City of Daly City in FY 21-22.**

**Chart 1. Top 3 service calls in FY 2021-2022 as a percentage of total calls**





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# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

July 13, 2023

To: LAFCo Commissioners

From: Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

Subject: Broadmoor Police Protection District Update – Information Only

## **Background**

LAFCo Commissioners approved the Broadmoor Police Protection District (BPPD) Special Study at the March 15, 2023 meeting and directed staff to request that the District respond in writing with their agreement or disagreement of the key issues and recommendations identified in the Special Study for inclusion in the agenda packet at this meeting. In addition, the Commission directed staff to present updates on the Broadmoor Police Protection District, specifically regarding the implementation of the Study's recommendations and the District's fiscal condition within 90 days (July), 6 months (September) and 12 months (March 2024) of the adoption of the Special Study. The Commission also requested that staff prepare an analysis of the County's County Pool policy and a flow chart that depicts the dissolution processes.

The Commission received an in-person update from Chief Connolly and an informational report from LAFCo staff regarding LAFCo-initiated dissolution at the Commission meeting on May 17, 2023. The Commission did not take any action towards dissolution at that meeting.

## **Summary:**

**Updated calls for service:** Shortly after study adoption, BPPD provided updated calls for service data. In FY 21-22, the District received 6,772 calls for service, and the cost per call was \$398. The BPPD Special Study has been amended to reflect the updated data and is described in greater detail in item 6.

**County Investment Policy:** The County Investment Policy for Fiscal Year 2023 (Attachment A) outlines its objectives to safeguard investment funds and meet liquidity and long-term investment needs. The Policy states that one of the ways the County safeguards investments is by requiring voluntary participants in the Pool to meet several criteria, including an acknowledgement that it will meet the minimum balance requirements of \$250K. In May 2023, the County Treasurer-Tax Collector issued a memo (Attachment B) notifying all County Pool

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VACANT, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

participants that effective immediately, any withdrawal that causes the withdrawing district's balance to fall below \$250K will immediately be advised of the requirement to close the account.

BPPD is a voluntary participant of the County Pool. As part of the research done for the Special Study, LAFCo staff inquired about the District's balance in the pool. As of May 2023, the District's balance has fallen below the \$250K minimum balance four times since April 2021. Although it is typical for a district like BPPD to have fluctuating balances in a given year, with property tax revenue (the District's main source of revenue) refreshing the District's balance twice a year, the pattern over the past two years shows a declining balance. LAFCo staff will continue to monitor the District's fund balance. LAFCo has concerns that if the District's fund balance falls under \$250k, there will negative impacts to the District's ability to continue funding police protection services.

Adopted budget for FY 23-24: The Broadmoor Police Protection District Board adopted the District's budget proposal for FY 23-24 (Attachment C) at a special meeting held on June 22, 2023. Revenue projections for FY 23-24 are \$2,977,500, a 5% decrease from the prior year due to a downward trend in property tax and supplemental property tax revenue, court fines and interest earnings. Although the District was able to achieve some savings in personnel costs by excluding two vacant officer positions for the upcoming fiscal year, the District faces a \$355,784 budget deficit primarily due to increases to pension costs and professional services (Table 1).

**Table 1. BPPD Adopted Budget for FY 2023-24**

	FY 2023-24	FY 2022-23 <sup>1</sup>	Change
<b>Revenue</b>			
Property taxes	\$1,502,500	\$1,516,000	(\$13,500)
ERAF	\$500,000	\$500,000	\$0
Other special charges	\$700,000	\$700,000	\$0
Other miscellaneous	\$275,000	\$289,000	(\$14,000)
<b>TOTAL REVENUE</b>	<b>\$2,977,500</b>	<b>\$3,005,000</b>	<b>(\$27,500)</b>
<b>Expenditures</b>			
Personnel	\$1,960,559	\$1,986,613	(\$26,054)
<i>Salary &amp; wages</i>	<i>\$1,372,661</i>	<i>\$1,520,211</i>	<i>(\$147,551)</i>
<i>Benefits</i>	<i>\$587,898</i>	<i>\$466,402</i>	<i>\$121,496</i>
Office expenses	\$136,275	\$128,325	\$7,950
Insurance	\$644,500	\$630,054	\$14,446
Professional contract services	\$255,700	\$215,700	\$4,000

<sup>1</sup> BPPD amended the FY 22-23 budget to move \$83,000 in Kaiser-Medical Insurance from the Insurance line to Personnel Benefits. This change had no impact on the total expenditures budgeted for FY 22-23

Other professional services	\$190,500	\$154,350	\$36,150
Vehicle maintenance	\$147,750	\$116,750	\$29,000
TOTAL EXPENDITURES	\$3,333,284	\$3,267,792	\$65,492
<i>Surplus (deficit)</i>	<i>(\$335,784)</i>	<i>(\$262,792)</i>	

The FY 23-24 budget did not include the total estimated actuals for FY 22-23. As a result, it is unclear what the total impact to the fund balance, the District’s only reserve, is at this time. According to the District’s audit for the fiscal year ending on June 30, 2021 the fund balance as of June 30, 2021 was \$1,104,416. As final actual (non-audited) expenditures in FY 21-22 exceeded revenue by \$417,105, the estimated fund balance at the end of June 30, 2022 was \$687,311<sup>2</sup>. If BPPD’s revenue and expenditures for FYs 22-23 and 23-24 match the adopted budgets, the fund balance would be \$424,519 at the end of FY 22-23 and \$68,735 at the end of FY 23-24 (Table 2). Furthermore, given the District’s history of expenditures exceeding revenue and underestimating actual expenditures over the past six budget cycles, it is reasonable to anticipate a larger reduction to the fund balance and to be concerned about the District’s ability to continue delivering police services in the near term.

**Table 2. BPPD Fund Balance Projections**

Fiscal year ending on June 30	Budget surplus (deficit) for Fiscal year	End of Year Fund Balance
2021	\$13,829	\$1,104,416
2022	<i>(\$417,105)</i>	\$687,311
2023*	<i>(\$262,792)</i>	\$424,519
2024*	<i>(\$355,784)</i>	\$68,375

\*Budget surplus based on proposed expenditures in BPPD’s adopted FY 23-24 budget

Town Hall meeting: On June 22, 2023, Supervisor Canepa hosted a Town Hall at the Broadmoor Community Hall regarding the future of the Broadmoor Police Protection District. The objective of the Town Hall was to give residents an update on the status of BPPD and hear from both Chief Mike Connolly and LAFCo Executive Officer Rob Bartoli.

Chief Connolly acknowledged that the Special Study highlights some serious financial challenges for the District but also noted that all government agencies are facing similar fiscal constraints with anticipated budget shortfalls at the federal, state, and local levels. The Chief expressed concerns about the alternate governance options proposed in the study regarding the potential impact to response times if police services are provided by the County, the vacancy rates of both the County Sheriff’s Office and the Daly City Police Department and the higher salaries of County sheriffs and Daly City police officers compared to the District’s police staff. Chief Connolly stated that the District Board adopted its annual budget for the upcoming fiscal year

<sup>2</sup> BPPD FY 2022-23 Financial Information, handout provided at the District’s Regular Board Meeting on January 10, 2023.

earlier in the day and that the District was able to cut \$300,000, including 2 positions that will remain vacant in FY 23-24. There was also a discussion regarding past annexations to Daly City and their impacts to the District's finances.

Rob Bartoli provided an overview of the Special Study and focused on the key findings and recommendations from the Study related to the District's fiscal health. He emphasized that, to date, the Commission has not taken any action towards BPPD; however, the Commission wants the District to demonstrate that they are taking the findings identified in the Study seriously and working cooperatively with LAFCo and affected agencies to correct them. Mr. Bartoli then addressed the issue of dissolution and described the LAFCo process involved in dissolution, including the steps and timelines. He noted that any path to dissolution that is initiated by an agency other than BPPD would take a minimum of one year and could take up to two or more years to complete.

Over a dozen residents provided public comment after hearing from both Chief Connolly and Mr. Bartoli. Many residents expressed both an understanding of the financial challenges faced by the District and a strong desire to keep the Police Protection District in their community. Several residents brought up the idea of increasing the supplemental parcel tax to boost District revenue. Others vocalized skepticism about the District's ability to address its fiscal troubles and the feasibility of a path towards a balanced budget.

Supervisor Canepa intends to hold future Town Hall meetings every 3-4 months as discussions about BPPD's fiscal outlook and possible dissolution continue.

LAFCo dissolution process flow charts: Upon request by the Commission, LAFCo staff prepared two flow charts that outline the process for a dissolution of a special district. The first flow chart (Attachment D) describes the process for a regular dissolution that may be initiated by either LAFCo, the subject district, other outside agency or by petition of voters or property owners. The second flow chart (Attachment E) describes the process for dissolution when dissolution is initiated by LAFCo via SB 938. The flow charts were distributed to attendees of the Town Hall meeting on June 22, 2023 and posted to the LAFCo website on the BPPD Special Study page.

BPPD Response to LAFCo Special Study recommendations: LAFCo received the completed matrix (Attachment F) from Chief Connolly on July 7, 2023 with their agreement or disagreement with each recommendation from the Special Study, their planned date for change or implementation and their reason for non-agreement to a recommendation, if applicable. The District's response is summarized below:

Capacity & Adequacy of Public Facilities & Services: BPPD agrees in part to the recommendation to explore cost sharing opportunities for matter other than investigative and patrol functions and agrees in part to the recommendation to develop and monitor performance measures.

Financial Ability: The District agrees to the recommendations to:

- Prepare quarterly financial reports and will implement this change in September/October 2023
- Develop long-term discal documents. However, there is no timeline for implementation

- Budget documentation of the District's fund balance and reserve, but there is not timeline for implementation
- Present audit documents to the BPPD Board for discussion at public hearings
- Develop policies to help guide decision making but the District stated that they are not able to implement this recommendation at this time
- Explore development of long-term planning documents
- Posting budget and audit documents on the District website and has already implemented this recommendation

The District disagrees with the recommendations to adopt annual Gann Appropriation Limit resolutions and reduce reliance on Excess ERAF for District operations and maintenance.

Accountability, Structure & Efficiencies: BPPD agrees with the recommendations to:

- Create staff reports for Board agenda items but does not include a timeline for implementation
- Video or audio record Board meetings for publication on District's website and has recently purchased equipment to comply with recommendation
- Provide Brown Act training and states that this is provided by the District's insurance carrier. In addition, a risk management position was created in 2021 to ensure compliance.
- Develop policies to help guide decision making but is not able to implement this recommendation at this time

The District disagrees with the recommendations to hire additional staff to perform HR functions, to post position salary and compensation data since this information is included in the District's budget documents and to post contracts and hiring policies on the District website.

#### Next Steps

LAFCo staff will present an update regarding BPPD at the September 20, 2023 LAFCo meeting.

#### Recommendation

Receive information report.

#### Attachments:

- A. County of San Mateo Investment Policy Statement for Calendar Year 2023
- B. Memo re: County Pool Revised Withdrawal Process (issued May 16, 2023)
- C. Broadmoor Budget Proposal for FY 2023-24
- D. Regular Dissolution Flow Chart
- E. Dissolution via SB 938 Flow Chart

F. BPPD Response to LAFCO Special Study Recommendations



# SAN MATEO COUNTY

## **Investment Policy Statement**

### Calendar Year 2023

*Approved by the  
San Mateo County Board of Supervisors  
Updated Date: January 17, 2023  
Resolution: 079414*

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SAN MATEO COUNTY  
**Investment Policy Statement**  
Calendar Year 2023

**I. Introduction**

It is the policy of the San Mateo County Treasurer, consistent with controlling legal mandates, to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants, achieving a competitive yield while conforming to all applicable statutes and resolutions governing the investment of public funds. Moreover, while complying with these legal mandates, the Treasurer will also promote investments in authorized issuers that display adherence to strong environmental, social, and governance principles.

To meet liquidity and long-term investing needs, the County has established the County Investment Pool. This fund is suitable for planned expenditures or capital funds.

**II. Delegation of Authority**

By Resolution 079414, approved on January 17, 2023 the County Board of Supervisors has delegated to the Treasurer authority to invest and reinvest the funds of the County and other depositors as specified in California Government Code Sections §27000.1 and §53607 for the period calendar year 2023. The Treasurer may delegate investment authority to whoever has been retained to perform the investment function.

**III. Policy Statement**

This Investment Policy establishes cash management and investment guidelines for the Treasurer, and those to whom he/she delegates investment authority, who are responsible for the stewardship of the San Mateo County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be monitored and judged by the standards of this Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to policy.

The Treasurer will annually render to the Board of Supervisors and any Oversight Committee a statement of investment policy, which the Board shall review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the Board at a public meeting.

**IV. Standard of Care**

The Treasurer is a fiduciary of the pooled investment fund and therefore subject to the prudent investor standard. The Treasurer, employees involved in the investment process and members of the San Mateo County Treasury Oversight Committee shall refrain from all personal business activities that could conflict with the management of the investment program.

All individuals involved will be required to report all gifts and income in accordance with California state law. (See Section XXI)

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Treasurer, and those to whom he/she delegates investment authority, shall act with due professional care, skill, prudence and diligence taking into consideration circumstances then prevailing, including, but limited to, general economic conditions and anticipated needs of the County and other depositors. This should be accomplished with the care that a prudent person acting in a like capacity would use to safeguard the principal and maintain the liquidity needs of the County and other depositors.

As outlined in California Government Code Section §27000.3, the standard of prudence to be used by the County investment officers shall be the “prudent investor” standard and shall be applied in the context of managing the portfolio. Investment officers shall act in accordance with written procedures and the investment policy, exercise due diligence, report in a timely fashion, and implement appropriate controls for adverse development.

## V. Investment Objectives

The San Mateo County Investment Pool shall be prudently invested in order to preserve principal while earning a reasonable rate of return while awaiting application for governmental purposes. Investments should be made with precision and care considering the safety of the principal investment, as well as the income to be derived from the investment. The specific objectives for the program are ranked in order of importance:

- A. Safety of Principal** - The Treasurer shall seek to preserve principal and minimize capital losses by mitigating credit risk and market risk as follows:

Credit Risk - Defined as an issuer(s) ability and willingness to repay interest and principal. Credit risk shall be minimized by diversifying the fund among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal to participants. Credit rating evaluations for all securities are monitored on a consistent basis.

Market Risk - Defined as the risk of market value fluctuations due to changes in the general level of interest rates. Because longer-term securities generally have greater market risk than shorter-term securities; market risk will be minimized by establishing the maximum Weighted Average Maturity of the pool at three years. The maximum allowable maturity for any instrument in the pool at time of purchase is 7 years (Treasuries and Agencies only). Occasional market losses on individual securities are inevitable with active portfolio management and must be considered within the context of the overall investment return.

**B. Liquidity**

The Treasurer's Office attempts to match maturities with its 12-month projected cash flow. The nature of the planning process behind the cash flow of the pool is relatively predictable and less volatile than is the case of discretionary money.

This allows leeway for some of the underlying investments in the County Pool to maintain a somewhat longer duration.

**C. Yield**

The County Pool is designed as an income fund to maximize the return on investable funds over various market cycles, consistent with the pool's first priority of safeguarding principal. Yield will be considered only after the basic requirements of safety and liquidity have been met. The County Pool is managed as an income fund whose purpose is to provide its investors with a reasonably predictable level of income, as opposed to a growth fund or fund measured on the basis of total return.

**D. Socially Responsible Investment Objectives**

In addition to and while complying with California Government Code provisions that regulate the investment of public funds (which require that, when managing and investing public funds, the objectives shall be, primarily, to safeguard principal of invested funds; secondarily, to meet the liquidity needs of the local government; and third, to achieve a return on invested funds), the County Treasurer recognizes the importance of socially responsible investing. The Treasurer will consider and promote investment in authorized issuers that display adherence to strong environmental, social and governance (ESG) principles, including but not limited to, environmental sustainability, social and economic justice, and good corporate governance. The Treasurer will forego investments in fossil fuel issuers if able to do so while complying with all legal and fiduciary mandates, including with respect to safety of principal, liquidity, and return on invested funds. The Treasurer will seek to invest in a socially responsible manner by considering investments in corporate issuers that meet designated risk score thresholds, as provided by an independent organization or organizations that supply analytical research, ratings, and data to institutional investors regarding issuers' environmental, social and governance (ESG) practices. Issuers will be reviewed and confirmed against these thresholds on a periodic basis, and any investments in issuers that fall below designated thresholds may be sold or held to maturity.

**VI. Management Style and Strategy**

This policy describes the County's strategic investment objective, risk tolerance and investment constraints. The County Treasurer or designee, at the Treasurer's discretion, prepares an economic outlook and evaluates the capital markets environment. The investment

programs reflect a common strategy that is based on conservative principles of fixed income portfolio management consistently applied in a disciplined fashion.

## **VII. Authorized Investments**

Subject to the limitations set forth in California Government Code §53600 et seq. which may be amended from time to time, the Treasurer may invest in the following instruments, subject to the limits described in the following sections. Long-term credit ratings, where shown, specify the minimum credit rating category required at time of purchase. As noted previously, all securities purchased shall be regularly monitored and re-evaluated should their ratings be downgraded below the minimum investment grade level required of the Pool. The Treasury Oversight Committee will be notified, within 10 days of any security downgrades that fall below the pool's investment standards and the course of action to be taken if any. In addition, the information will be posted on the Treasurer's website within the same time frame. Decisions regarding the holding of, or the potential sale of, securities are based on factors such as remaining time to maturity and the need for liquidity in the Pool.

Where a percentage limitation of eligible security percentages and maximum maturity is established, for the purpose of determining investment compliance, that maximum amount will be applied on the date of trade settlement. Therefore, depending on the liquidation of other securities and the performance of other securities in the pool, the percentage of the pool of any given security or instrument could exceed the initial percentage limitations without violating the Investment Policy.

### **A. U.S. Treasury Securities**

United States Treasury bills, notes, bond or certificates of indebtedness, for which the full faith and credit of the United States is pledged for the payment of principal and interest. The maximum maturity of U.S. Treasury Securities is 7 years.

### **B. U.S. Government Agency/GSE (Government Sponsored Enterprise)**

Obligations, participations, or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise. The maximum percent of the fund per issuer is 40%. The maximum percent of the fund for U.S. Agencies Callables Securities is 25%. U.S. Government Agency/GSE securities must be rated in a rating category of "AA," long-term, or "A-1," Short-term, or their equivalent or higher by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). The maximum maturity for Agency Securities is 7 years.

### **C. Commercial Paper**

At the time of purchase, commercial paper must be rated either A-1/P-1/F1 or better by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). Eligibility is limited to U.S. organized and operating corporations. Corporations must have assets in excess of \$5 Billion and have debt other than commercial paper, if any, that is rated in a rating category of "A" or

its equivalent or higher by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). Maturities may not exceed 270 days. Purchases of commercial paper will not exceed 40% of the pool's investable money.

#### **D. Negotiable Certificates of Deposit**

Negotiable certificates are negotiable money market instruments that trade on the open market. At the time of purchase, negotiable certificates of deposit must be rated in a rating category of "A," long-term, or "A-1"/"P-1"/"F1, short-term," or their equivalents or better by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). These certificates must be issued by a U.S. National or State chartered bank or state or federal association (as defined by section 5102 of the California Financial Code) or by a state licensed branch of a foreign bank. Eligible foreign banks must have branches or agencies in the U.S. Issuers must be a corporation with total assets in excess of \$5 Billion. Purchases of Negotiable Certificates of Deposit will not exceed 30% of the pool.

#### **E. Bankers Acceptance**

A Bankers Acceptance (BA) is a draft drawn and accepted by banks that is based upon funds that will pay its face value at maturity. The security is normally traded at a discounted price. Because the accepting institution is obligated to pay for the bill, a Bankers Acceptance is considered less risky than commercial paper.

At the time of purchase, BAs must be rated A-1/P-1/F1 or better by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). BAs are primarily used to finance international trade. BAs are timed drafts (bills of exchange) drawn on and accepted by a commercial bank. Issuers must be a corporation with total assets in excess of \$5 Billion. Purchases of Bankers Acceptances will not exceed 15% of the pool for domestic commercial banks and 15% of the pool for foreign commercial banks.

#### **F. Collateralized Time Deposits**

Collateralized Certificates of Deposit must comply with Bank Deposit Law. Purchases of Collateralized Certificates of Deposit will not exceed 15% of the pool.

#### **G. Mortgage Backed Securities and Asset Backed Securities**

##### **A. Mortgage Backed Securities**

The securities must be rated in a rating category of "AA" or its equivalent or higher by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). Securities shall have a maximum remaining maturity of five years. Combined holdings of Mortgage Backed Securities and Asset Backed Securities will not exceed 20% of the pool.

The allowable types of Mortgage Backed Securities include the following:

1. U.S. Government Agency Mortgage pass-through securities.
2. Collateralized Mortgage Obligations (CMO) where the underlying mortgages have U.S. government backing.

### **B. Asset Backed Securities**

The securities must be rated “AAA” or its equivalent by at least two of the three nationally recognized rating services (S&P, Moody’s and Fitch). Securities shall have a maximum remaining maturity of five years. Combined holdings of Asset Backed Securities and Mortgage backed Securities will not exceed 20% of the pool.

The allowable types of Asset Backed Securities include the following:

1. Equipment lease back certificates.
2. Consumer receivable backed bonds.
3. Auto loan receivable backed bonds.

## **H. Corporate Securities**

The maximum maturity for corporate securities is five years. Eligible securities shall be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. At the time of purchase, corporate securities must be rated in a rating category of “A” or its equivalent or better by at least two of the three nationally recognized rating services (S&P, Moody’s and Fitch). Securities in this classification must be dollar denominated. If a security is owned and downgraded below the pool’s investment standards, the Treasury Oversight Committee will be notified within 10 days of any security downgrades that fall below the pool’s investment standards and the course of action to be taken if any. In addition, the information will be posted on the Treasurer’s website within the same time frame.

Purchases of Corporate Securities shall not exceed 30% of the pool. The amount invested in corporate securities in the “A” rating category may not exceed 27% of the pool (90% of the 30% permitted corporate allocation). For purposes of determining compliance with this requirement, a security’s rating will be determined by its highest rating by either S&P, Moody’s, or Fitch. There is a 5% limitation of the fund in any single issuer of Money Market/Corporate Securities, however, the Pool has a target of holding no more than 3%. The 3% target may be exceeded under exceptional circumstances (i.e.: peak tax collection periods, G.O. Bond issuances, etc.) when there is a large influx of cash.

## **I. US Instrumentalities**

United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American

Development Bank, with a maximum maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category "AA" or its equivalent or higher by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). Purchases of US Instrumentalities are not to exceed 30% of the pool.

#### **J. CA Municipal Obligations**

Registered state warrants or municipal notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Investments under this subdivision shall be rated in a rating category "AA" or its equivalent or higher by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). Such investments shall have a maximum security of five years or less, and shall not exceed 30% of the pool, 5% per issuer. The foregoing investments shall be limited to the General Obligation (GO) bonds, Tax & Revenue Anticipation Notes (TRANS), or other debt, which is issued by the state of California, the University of California Regents or the California State University Regents.

#### **K. Repurchase Agreements**

Repurchase Agreements must be executed with dealers with whom the County has written agreements and are either banking institutions that meet the rating requirements of this policy or dealers who report to the Market Reports Division of the Federal Reserve Bank of N.Y. (Primary Dealers). All transactions must be collateralized at 102% of current value plus accrued interest and must be marked to market daily. The only acceptable collateral for these transactions include Treasuries or Agencies with a maximum maturity of seven years.

For purposes of this authorized investments section, the term "Repurchase Agreement" means a purchase of a security by the County pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified dollar amount and will deliver the underlying securities to the County by book entry. All County pool transactions are conducted through the County custodian on a payment vs. delivery basis. When the transaction is unwound, the transfer of the underlying securities will revert to the counter party's bank account by book entry. The term "Counter party" means the other party to the transaction with the County. The Counter Party, or its parent, must have a short-term rating of "A-1," "P-1," or "F1" by at least two of the three nationally recognized rating services (S&P, Moody's and Fitch). The maximum allowable term of a repurchase agreement shall not exceed 92 days.

#### **L. Local Agency Investment Fund (LAIF)**

The Local Agency Investment Fund (LAIF) is an investment fund run by the Treasurer of the State of California to pool local agency monies. LAIF will be used



as a comparative fund to the County's pool. The maximum percent of the fund that can be invested is up to the current State limit.

**M. Mutual Funds**

Shares of beneficial interest issued by diversified management companies as defined in Government Code Section § 53601. Purchases of Mutual Funds will not exceed 20% of the pool, 10% per mutual fund.

**N. Local Government Investment Pools (LGIPs)**

Shares of beneficial interest issued by a joint power's authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized by the Government Code. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. Purchases are limited to LGIPs that seek to maintain a stable share price and will not exceed 20% of the pool, 10% per LGIP.

**VIII. Security Lending**

Security Lending is a temporary exchange of portfolio assets for acceptable collateral between a lender and an approved borrower. The additional income generated from this transaction can be used to enhance portfolio performance. This process can be summarized in three key steps:

- A.** The Security Lending agent lends securities from our portfolio to an approved borrower at a negotiated rate. The negotiated rate is dependent upon the level of demand for the securities.
- B.** The Security Lending agent invests the cash collateral in highly liquid, short duration, high credit quality instruments approved by our investment policy.
- C.** The earnings generated net of rebates from these transactions are split between the third party agent and the County based on the contract agreement.

Our contract with The Bank of New York requires daily reporting of the securities borrowed, the borrowers, and the short term investments made with the collateral. The County retains the right to recall securities at any given time; cutoffs are 9:30 a.m. eastern standard time for same day recalls of treasuries/agencies and 1:30 p.m. eastern standard time on trade date for corporates. We also require acknowledgement of the County Investment Policy, and check the adherence to that policy daily.

All securities purchased with any funds received as a result of such lending shall be regularly monitored and re-evaluated. Should their ratings fall below the pool's investment standards, the Treasury Oversight Committee will be notified within 10 days of any security downgrades that fall below the pool's investment standards and the course of action if any. In addition, the information will be posted on the Treasurer's website within the same time frame.

Additionally, the percentage of the Fund’s market value in any one issuer’s securities shall be regularly monitored and the Treasury Oversight Committee will be notified within 10 days, and the information posted on the Treasurer’s website, of any instances where the percentage of the Fund’s market value in any one issuer’s securities exceeds the percentage limitations set forth herein or where there is any change in diversification and the course of action, if any.

There are always risks in any financial transaction. The three most common risks in Security Lending are as follows:

- A. **Borrower Default Risk** – Although rare, a borrower may not return a security in a timely manner. To protect against this risk, we require 102% cash collateral, which is marked to market and monitored daily. In the event of borrower default, the Security Lending agent is responsible for replacing the securities or providing the cash value of the securities. In other words, The Bank of New York indemnifies the County of San Mateo against borrower default.
  
- B. **Collateral Investment Risk** – The value of the securities in which we invest the cash collateral may decline due to fluctuations in interest rates or other market related events. This risk is controlled by investing in a huge investment pool with highly liquid short duration, high credit quality instruments identified in this investment policy.
  
- C. **Operational Risks** – Critical operations, such as maintaining the value of the collateral, collecting interest and dividend payments are essential to a smooth running Security Lending operation. Operational risks are the responsibility of the Security Lending agent. We further mitigate this risk by reviewing all transactions and collateral requirements on a daily basis.

**Schedule 1 – Securities Lending**

**Securities Loans**

- No more than 5% of the Pool can be on loan to any single counterparty.
- A single loan shall not exceed 3% of the total portfolio.
- The maximum maturity of a securities loan shall not exceed 92 days.

**Collateral**

Acceptable Collateral  
U.S. Treasuries and Agencies and cash.

Collateral Investment  
The only authorized investments are shown in the following table. No floating or reset notes are permitted.

“Fund” means actual market value of all securities lending collateral.

INSTRUMENT	RATING	-	LIMITATIONS	
		%	%	Maturity
		of Fund	of Fund per Issuer	
U.S. Treasury Obligations		100	100%	1 year

INSTRUMENT	RATING	-	LIMITATIONS	
Obligations of U.S. Agencies or government sponsored enterprises	AA or A-1	100	40% per issuer	1 year
Repurchase agreements secured by U.S. Treasury or agency obligation (102% collateral)	A-1	100	50%	overnight
Bankers Acceptances Domestic Foreign	A-1 / P-1/ F1	15 15	5% Aggregate 5% Aggregate	180 days 180 days
Commercial paper	A-1 / P-1 / F1	40	5% Aggregate	270 days or less

**Other**

Agent Qualifications

The only acceptable Agent is the Pool’s custodian bank.

Contract Provisions

The Agent must indemnify the Pool against borrower default.

The Agent must acknowledge and accept the Policy in writing. A copy of this acceptance will be attached to future policies.

The Agent must submit monthly reports showing securities out on loan (terms and borrowers), defaults, earnings, and the percent by sector of Pool assets out on loan as well as information on the collateral investments (including market values, income and realized and unrealized gains and losses).

Oversight

The Treasurer shall include copies of the Agent’s most recent report with their reports to the Treasury Oversight Committee.

**IX. Community Reinvestment Act Program**

A. This policy sets aside up to \$5 million dollars for investment in banks whose primary operations are located in San Mateo County. Investments from this fund must meet the requirements of this investment policy. Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with a custodial bank.

**X. Diversification and Maturity Restrictions**

It is the policy of the Treasurer to diversify the Fund’s portfolios. Investments are diversified to minimize the risk of loss resulting in over concentration of assets in a specific

maturity, specific issuer or a specific class of securities. Diversification strategies shall be established by the Treasurer and whoever has been retained to perform the investment function.

<b>Instrument</b>	<b>Min. Rating Category</b>	<b>% of Fund</b>	<b>Limitations % of Fund per Issuer</b>	<b>Maturity</b>
U.S. Treasury Obligations		100%	100%	7 years
Obligations of U.S. Agencies or government sponsored enterprises	AA or A-1	100%	40%	7 years
U.S. Agencies Callables	AA		25%	7 years
Commercial paper (two agencies)	A-1/P-1/F1	40%	5% Aggregate	270 days or less
Negotiable Certificates of Deposit (\$5 billion minimum assets) (two agencies)	A-1/P-1/F1	30%	5% Aggregate	5 years
Bankers Acceptances *Domestic: (\$5 billion minimum assets) *Foreign: (\$5 billion minimum assets) (two agencies)	A-1 / P-1/ F1	15% 15%	5% Aggregate 5% Aggregate	180 days 180 days
Collateralized Time Deposits within the state of CALIFORNIA	A-1/P-1/ F1	15%	5% Aggregate	1 year
Mortgage Backed Securities/CMO's: No Inverse Floaters No Range Notes No Interest only strips derived from a pool of Mortgages	AA		5% Aggregate	5 Years
Asset Backed Securities	AAA	20% Combined total	5% Aggregate	5 Years
Corporate bonds, Medium Term Notes & Covered Bonds (two agencies)	A	30%  A maximum of 27% may be invested in	5% Aggregate	5 years

Instrument	Min. Rating Category	% of Fund	Limitations % of Fund per Issuer	Maturity
		A rated securities (90% of the 30% allocation)		
US Instrumentalities	AA	30%		5 Years
CA Municipal Obligations	AA	30%	5% Aggregate	5 Years
Repurchase Agreements secured by U.S. Treasury or agency obligation (102% collateral)	A-1	100%	See limitations for Treasuries and Agencies above	92 days
Local Agency Investment Fund (LAIF)			Up to the current state limit	
Shares of beneficial interest issued by diversified management companies as defined in Government Code Section § 53601 (Mutual Funds)	Money Market AAAm	20%	10% per mutual fund	
Local Government Investment Pools (LGIPs)		20%	10% per LGIP	

## XI. Average Life

The maximum dollar weighted average maturity of the fund will be 3 years. The focus of this fund is in order of priority: preservation of principal, liquidity and then yield. The policy of maintaining a maximum dollar weighted maturity or weighted average maturity (WAM) of 3 years leaves open the flexibility to take advantage of interest rate trends to maximize the return on investment. The imposed maximum 3-year average maturity limits the market risk to levels appropriate to a short, intermediate income fund. The word "Maturity" refers to the instrument's stated legal final redemption date - not coupon reset, put or call dates.

Securities purchased specifically to match the maturity of a bond issue and/or a contractual arrangement must be authorized by California Government Code §53601 and §53635 but are not included in the requirements listed above. Such securities shall be clearly designated in the appropriate investment journals and reports.

## **XII. Prohibited Transactions**

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy and California Government Code Sections §53601, §53601.1, §53601.2, §53601.6, and §53635, as may be amended from time to time. No investment prohibited by the California Government Code or other controlling provision of law shall be permitted herein.

Any investment transactions, credit risk criterion, percentage limitations or market valuation that are not in compliance with this Investment Policy **at time of purchase** must be documented and approved by the Treasurer in writing. Thereafter, action shall be taken by the Treasurer to correct such matter as soon as practical. If a percentage restriction is adhered to at the time of purchase, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of that restriction.

The Treasurer shall not leverage the County pool through any borrowing collateralized or otherwise secured by cash or securities held unless authorized by this investment policy.

Security Lending is authorized by this policy and will be limited to a maximum of 20% of the portfolio.

### **The following transactions are prohibited:**

- A.** Borrowing for investment purposes (“Leverage”).
- B.** Inverse floaters, leveraged floaters, equity-linked securities, event-linked securities, structured investment vehicles (SIV).

Simple “floating rate notes” whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, federal funds, prime rate or LIBOR) and which have a reasonable expectation of maintaining a value at par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, U.S. Treasury and Agency strips, Resolution Funding Corporation (REFCORP) strips or other callable securities which otherwise meet quality, maturity and percent limitations assigned to their respective security category, are exempt from this section.

- C.** Derivatives (e.g. swaptions, spreads, straddles, caps, floors, collars, etc.) shall be prohibited.
- D.** Trading of options and futures are prohibited.

## **XIII. Method of Accounting:**

- A.** For earnings calculations, investments will be carried at original purchase cost (plus purchased accrued interest, if applicable). Premiums or discounts acquired in the purchase of securities will be amortized or accreted over the life of the respective securities. For GASB purposes, investments will be carried at cost and marked to market.

- B. Gains or losses from investment sales will be credited or charged to investment income at the time of sale. All interest income, gains/ losses are posted quarterly.
- C. Premiums paid for callable securities will be amortized to the 1<sup>st</sup> call date after purchase.
- D. Purchased accrued interest will be capitalized until the first interest payment is received. Upon receipt of the first interest payment, the funds will be used to reduce the investment to its principal cost with the remaining balance credited to investment income.
- E. Yield is calculated on an accrual basis using a 365-day calendar year. Earnings are calculated as follows:

$$\frac{(\text{Earnings}^* + \text{Capital Gains}) - (\text{Fees} + \text{Amortized Premiums} + \text{Capital Losses})}{\text{Average Daily Pool Balance}}$$

\* Earnings equal net interest payments + accrued interest + accreted discounts.

- F. The County Pool is operated as a single investment pool. Banking and reporting services required by a participant are charged directly to the participant. All participants are charged an administrative fee.
- G. The administrative fee is 9.5 basis points effective July 1, 2018 and will be evaluated annually.

The County Pool Administrative Fee is established annually and is effective July 1 through June 30. The fee is developed to align with the actual administrative cost of managing the pool. Due to variations in the pool size during the fiscal year (such as those caused by the influx of funds from unanticipated school bond issues or voluntary pool participant withdrawals), a true-up of fees collected will take place in the 4<sup>th</sup> quarter of each fiscal year.

#### **XIV. Safekeeping**

All deliverable security transactions, including collateral for repurchase agreements, entered into by the Treasurer shall be conducted on a Delivery-versus-Payment basis (DVP).

All deliverable securities shall be held by a third-party custodian designated by the Treasurer. The third-party custodian shall be required to issue a safekeeping statement to the Treasurer listing the specific instrument, rate, maturity and other pertinent information.

#### **XV. Performance Evaluation**

The Treasurer shall submit monthly, quarterly and annual reports, in compliance with Government Code Sections §53607 and §53646 to the Treasury Oversight Committee, Pool participants and the Board of Supervisors. These reports shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program and shall be in compliance with Government Code. This includes the type of investments, name of

issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investments Fund's ability to meet the expected expenditure requirements for the next 6 months. In accordance with GASB Statements 31 and 40, the Treasurer shall provide financial information on the treasury for the County's Comprehensive Annual Financial Report.

## **XVI. Withdrawal Requests**

### **Voluntary Pool Participants**

- A.** Any request to withdraw funds shall be released at no more than 12.5% per month, based on the month-end balance of the prior month.
- B.** Current secured tax apportionments and property tax revenue distributed to Redevelopment Property Tax Trust Funds will be exempt from the 12.5% withdrawal rule, however, these apportionments must be withdrawn in the same month they are received or they will be subjected to the 12.5% withdrawal rule.
- C.** Any additional withdrawal requests will be considered on a case-by-case basis.
- D.** All requests for withdrawals must first be made in writing to the Treasurer, at a minimum, 24 hours in advance.

In accordance with California Government Code § 27136 et seq, and §27133 (h) et seq, these requests are subject to the Treasurer's consideration of the stability and predictability of the pooled investment fund, or the adverse effect on the interests of the other depositors in the pooled investment fund.

### **Schools**

- A.** Withdrawals of surplus funds by a school district for investment elsewhere will require a Resolution from the District Office requesting such withdrawal and specifying that funds are 'surplus.' Such requests must be made at a minimum 24 hours in advance.
- B.** A one-year dark period will exist for such withdrawals before funds can be re-deposited into the treasury by that school district. A Resolution from the District Office will be required to do so.
- C.** Any emergency situation that requires previously withdrawn school district funds be re-deposited into the treasury within that one-year period will require a Resolution from the District Office and Office of Education.
- D.** No Bond Proceeds may be withdrawn for investment outside of the pool (AB2738)

## **XVII. Internal Controls**



The County Treasurer shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. The County Treasurer shall also be responsible for ensuring that all investment transactions comply with the County's investment policy and the California Government Code.

The County Treasurer shall establish a process for daily, monthly, quarterly and annual review and monitoring of investment program activity.

Daily, the County Treasurer or authorized treasury personnel shall review the investment activity, as well as corresponding custodial and commercial bank balances and positions for compliance with the investment policy and guidelines. The County Controller's Office shall conduct an annual audit of the investment program's activities. It is to be conducted to determine compliance with the County's investment policy and the Government Code. The audit shall be conducted by staff with experience in auditing large, complex investment programs consistent with industry standards as promulgated by the Global Investment Performance Standards (GIPS) adopted by the CFA Institute Board of Governors.

#### **A. Investment Authority and Responsibility**

The responsibility for conducting the County's investment program resides with the Treasurer, who supervises the investment program within the guidelines set forth in this policy. The Treasurer may delegate the authority for day-to-day investment activity to whoever has been retained to perform the investment function.

#### **B. County Treasury Oversight Committee**

The Board of Supervisors, in consultation with the Treasurer, has established the County Treasury Oversight Committee pursuant to California Government Code § 27130 et seq. Members of the County Treasury Oversight Committee shall be selected pursuant to California Government Code §27131. The Treasury Oversight Committee will meet at least three times a year to evaluate general strategies and to monitor results and shall include in its discussions the economic outlook, portfolio diversification, maturity structure and potential risks to the County pool's funds. All actions taken by the Treasury Oversight Committee are governed by rules set out in § 27131 et seq. of the California Government Code.

Members of the County Treasury Oversight Committee must pay particular attention to California Government Code § 27132.1, § 27132.2, § 27132.3 and § 27132.4, which read as follows:

§ 27132.1 A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the committee.

§ 27132.2 A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the committee.

§ 27132.3 A member may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms, with whom the Treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

§ 27132.4 Committee meetings shall be open to the public and subject to the Ralph M. Brown Act (chapter 9 (commencing with section 54950) of Part 1 of Division 2 of Title 5).

### **C. Reporting**

The Treasurer will prepare a monthly report for the County pool participants and members of the County Treasury Oversight Committee stating, for each investment: the type of investment, name of the issuer, maturity date, par value of the investment, current market value and the securities S&P/Moody's rating. For the total pooled investment fund, the report will list average maturity, effective duration, cost, the current market value, net gains/losses and the sector and issuer concentrations. In addition, the report will break down distribution by maturities, coupon, duration and both S&P/Moody's ratings. The Treasurer shall prepare a monthly cash flow report which sets forth projections for revenue inflows, and interest earnings as compared to the projections for the operating and capital outflows of depositors. This projection shall be for a minimum of 12 months. All Reports will be available on the County Treasurer's website at [treasurer.smcgov.org](http://treasurer.smcgov.org)

### **D. Annual Audit of Compliance**

The County Treasury Oversight Committee shall cause an annual audit to be conducted of the portfolio, procedures, reports and operations related to the County pool in compliance with California Government Code § 27134.

### **E. Pool Rating**

The Pool strives to maintain the highest credit rating at all times. Annually, a contract may be requested for a rating from one of the three leading nationally recognized credit rating organizations (S&P, Moody's or Fitch).

### **F. Compliance Review**

The County will ensure a monthly compliance review of the County's portfolio holdings and provide a monthly written report which will:

1. Verify the accuracy of holdings information.
2. Provide summary level information about the portfolio.
3. Verify compliance with California Government Code.
4. Verify compliance with the County's written Investment Policy.
5. List any exceptions or discrepancies identified.

## **G. Loss Control**

While this Investment Policy is based on “the Prudent Investor Rule”, the Treasurer shall seek to enhance total portfolio return by means of actively managing the portfolio. In any professionally managed portfolio, occasional controlled losses are inevitable and must be realized and judged within the context of overall portfolio performance. Losses shall be allocated as otherwise described in this policy in section XIII, entitled “Method of Accounting”.

## **H. Credit Quality**

Should any investment or financial institution represented in the portfolio, be downgraded by any of the major rating services to a rating below those established in this investment policy, the Treasurer must immediately make an informed decision as to the disposition of that asset and will so advise the County Treasury Oversight Committee. The situation will be monitored daily by the Treasurer until final disposition has been made.

## **I. Approved Brokers**

The Treasurer will maintain a current list of Approved Brokers and Dealers who may conduct business with the County. All financial institutions on the approved list will be evaluated individually, with preference given to primary dealers, who possess a strong capital and credit base appropriate to their operations. The Treasurer will forward a copy of the County Investment Policy to all approved brokers and require written acknowledgment of the policy from the broker.

No broker, brokerage, dealer or securities firm is allowed on the approved list if, within any consecutive 48-month period, they have made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local Treasurer, any member of the governing board of the local agency or any candidate for those offices.

If the County has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institutions to conduct transactions on the County’s behalf.

## **J. Transaction Settlement**

Payment of settlement in a securities transaction will be against delivery only. A due bill or other substitution will not be acceptable. All securities purchased from the brokers/dealers must be held in safekeeping by the County’s safekeeping agent or designated third party.

## **K. Internal Controls**

The Treasurer has established a system of controls designed to prevent losses of pooled funds due to fraud, employee error, and misrepresentations by third parties, and unanticipated changes in financial markets or imprudent actions by employees of the County. The controls include:

1. Procedures for investment activity which includes separation of duties for transaction authority, accounting and operations and requires clear documentation of activity.
2. Custodial safekeeping as prescribed in California Government Code § 53601.
3. Independent audit, both external and internal.
4. Clear delegation of authority.
5. Written confirmations of all telephone transactions.
6. Establishment of written ethical standards and rules of behavior.

## **XVIII. Execution of Investment Authority**

**A.** All transactions are documented as to date, time and vendor, signed by the originator and include the following information:

1. Buy or sell
2. Specific description of security involved (CUSIP)
3. Settlement date
4. Price
5. The total amount of funds involved
6. On non-treasury or agency transactions a notation will be made on the transaction ticket of competitive bids and offers
7. Broker/dealer

**B.** Information in "A" must be provided to the Investment Specialist for the following purpose:

1. To contact the dealer to verify the information on the trade with the dealer's instructions. Any misunderstanding must be clarified prior to settlement.
2. To provide the County's custodian bank with the specifics of the pending transaction to assure a smooth settlement.
3. To compare with the daily custodian transaction report to assure there are no errors.
4. To generate the internal entries necessary for the movement of funds to complete the transaction.
5. To compare with the broker's confirmations when received.

- C.** At the end of each day, the Investment Specialist summarizes all of the current day transactions in a “Daily Cash Flow Report” available immediately the following morning. This report includes:
1. A summary of all the day’s investment transaction.
  2. A listing of the day’s incoming and outgoing wires.
  3. A listing of the day’s state automatics and other deposits received.
  4. If the pool has “Repos” out, the current earnings rate statement.
  5. An estimate of the total anticipated clearings for the day.
- D.** A best effort will be made to obtain a minimum of three prices from different brokers before executing a security transaction whenever possible. Exceptions will occur with Treasuries. In those cases the Bloomberg screen will be printed as close to the actual executed price as possible. In the case of money market, agencies or corporate securities, a best effort will be made to obtain differential bids and offers.
- E.** Repurchase Agreements All Repurchase Agreements with approved dealers will be governed by a Public Securities Association (PSA) agreement that has been approved in writing by the Treasurer.
- F.** Confirmations resulting from securities purchased or sold under a Repurchase Agreement shall state the exact and complete nomenclature of the underlying securities bought or sold, as well as the term structure (i.e. maturity) of the transaction.
- G.** Securities on loan and their corresponding investments under the County Security Lending Program must be monitored daily by the Investment Specialist to assure the County Treasurer or Designee has a list of those securities that are out on loan. Interest earned will be monitored daily and compared to the monthly report of earnings by the custodial bank.
- H.** The assets of the County shall be held in safekeeping by the County’s safekeeping agent, or secured through third-party custody and safekeeping procedures. A due bill or other substitution will not be acceptable.
- I.** Safekeeping procedures shall be reviewed annually by the Treasurer’s office and an external auditor. Surprise audits of safekeeping and custodial procedures must be conducted at least once a year.
- J.** Security Lending: The custodial bank may be authorized to lend out up to 20% of the portfolio within the guidelines of this policy. Guidelines for securities lending and the investment of collateral are attached to this policy as Schedule 1. Securities on loan must be monitored daily by the Treasurer’s office to assure that the Treasurer has a list of those securities that are out on loan. Interest earned will be monitored daily and compared to the monthly report of earnings by the custodial bank.

- K.** Voluntary Participants participating in the San Mateo County Pooled Fund meet the following requirements:
1. A public agency
  2. Domiciled in the County of San Mateo.
  3. Agree to abide by the approved San Mateo County Pooled Fund Investment Policy Statement.
  4. Acknowledge changes to the policy annually in writing and meet the minimum balance requirements (250K).

Effective 11/1/2018, acceptance of new voluntary participants was discontinued to decrease liquidity requirements.

- L.** Agencies whose jurisdiction includes San Mateo County, but are not domiciled in San Mateo County, may participate in the San Mateo County Pooled Fund with the approval of the Treasurer and the County Treasury Oversight Committee.

### **XIX. Disaster Recovery**

The San Mateo County Treasurer's Disaster Recovery Plan includes critical phone numbers and addresses of key personnel as well as active bankers and brokers/dealers. Portable devices have been issued to key personnel for communicating between staff, banks and broker/dealers. The plan includes an offsite location to be communicated at the time of readiness if our offices are uninhabitable.

In the event investment staff is unable to invest the portfolio, the custodial bank will automatically sweep all un-invested cash into a collateralized account at the end of the business day. Union Bank is currently the pools bank.

Should this guarantee program not be extended, a collateralized account will be set up. Until normal operations of the Treasurer's office have been restored, the limitations on the size of an individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Investment Policy.

### **XX. Ethics and Conflict of Interest**

The Treasurer and all investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program or which could impair the ability to execute impartial investment decisions. The Treasurer and all investment personnel shall complete and submit State of California Form 700, Statement of Economic Interests Disclosure annually.

### **XXI. Limits on Honoraria, Gifts and Gratuities**

In accordance with California Government Code Section 27133, this policy establishes limits for the Treasurer; individuals responsible for management of the portfolios; and members of the Treasury Oversight Committee; select individual investment advisors and broker/dealers who conduct day-to-day investment trading activity.

Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual designated in a conflict of interest code may receive aggregate gifts, honoraria and gratuities in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. Gifts from a single source are subject to a \$420 limit. Any violation must be reported to the State Fair Political Practices Commission.

## Comparison and Interpretation of Credit Ratings<sup>1</sup>

### Long Term Debt Ratings

Rating Interpretation	Moody's	Standard & Poor's	Fitch
Best-Quality grade	Aaa	AAA	AAA
High-Quality Grade	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Speculative Grade	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
Low Grade	B1	B+	B+
	B2	B	B
	B3	B-	B-
Poor Grade to Default	Caa	CCC+	CCC
In Poor Standing	-	CCC	-
	-	CCC-	-
Highly Speculative Default	Ca	CC	CC
	C	-	-
Default	-	-	DDD
	-	-	DD
	-	D	D

**Short Term/Commercial Paper Investment Grade Ratings**

<b>Rating Interpretation</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>	<b>Fitch</b>
Superior Capacity	P-1	A-1+/A-1	F1+/F1
Strong Capacity	P-2	A-2	F2
Acceptable Capacity	P-3	A-3	F3

<sup>1</sup> These are general credit rating guidelines and are for information only



## **GLOSSARY OF TERMS**

### **ACCRUED INTEREST**

Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

### **ASSET-BACKED SECURITIES (ABS)**

A financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

### **AVERAGE LIFE**

The length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortization or sinking fund payments.

### **BANKERS' ACCEPTANCE**

A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

### **BASIS POINT**

One basis point is equal to 1/100 of one percent or .01%. Thus, 100 basis points equals 1%. For example, if interest rates increase from 4.25% to 4.50%, the difference is referred to as a 25-basis-point increase.

### **BENCHMARK**

A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

### **BID**

The price at which a buyer offers to buy a security.

### **BOND**

A bond is essentially a loan made by an investor to a division of the government, a government agency or a corporation. The bond is a promissory note to repay the loan in full at the end of a fixed time period. The date on which the principal must be repaid is called the maturity date or maturity. In addition, the issuer of the bond, that is, the agency or corporation receiving the loan proceeds and issuing the promissory note, agrees to make regular payments of interest at a rate initially stated on the bond. Bonds are rated according to many factors, including cost, degree of risk and rate of income.

### **BOOK VALUE**

The value of a held security as carried in the records of an investor. May differ from current market value of the security.

**BROKER/DEALER**

Any person engaged in the business of effecting transactions in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

**CALLABLE SECURITIES**

An investment security that contains an option allowing the issuer to retire the security prior to its final maturity date.

**COMMERCIAL PAPER**

Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

**COLLATERALIZED TIME DEPOSITS**

An interest-bearing bank deposit that has a specific maturity date.

**CORPORATE BOND**

A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds. Corporate bonds are considered higher risk than government bonds. As a result, interest rates are almost always higher, even for top flight credit quality companies.

**COUPON RATE**

The annual rate of interest payable on a security expressed as a percentage of the principal amount.

**COVERED BOND**

A covered or mortgage bond is an on-balance sheet obligation of the issuing institution. Typically, a covered bond receives the legal structure, the issuer's backing and the pledge of quality assets, should the issuer fail to qualify for a higher rated bond.

**CREDIT RISK**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**CURRENT YIELD**

The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSIP NUMBERS**

CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

**DISCOUNT**

The amount by which the par value of a security exceeds the price paid for the security.

**DIVERSIFICATION**

Dividing investment funds among a variety of securities offering independent returns.

**DURATION**

The weighted average time to maturity of a bond where the weights are the present values of future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates.

**EARNINGS APPORTIONMENT**

The quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

**ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) PRINCIPLES**

Assessment of investment issuers with respect to the following:

Environmental: How a company limits its environmental impact and carbon footprint.

Social: How a company treats its employees, customers, community, and other companies with whom it interacts.

Governance: How a company is led and managed, including executive pay and internal controls.

**EQUITY-LINKED SECURITIES**

A hybrid debt instrument that is linked to the equity markets. Equity-linked securities can be in the form of a single stock, a group of stocks or an equity-based index, such as the S&P 500.

**EVENT-LINKED SECURITIES**

A type of bond whose interest and principal payments are determined based on the non-occurrence of certain events such as an earthquake and hurricane. If an event, usually referred to as a "trigger event", occurs, then the holder of the bond could see a loss of all future interest payments or a loss of most principal.

**FAIR VALUE**

The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**FEDERAL FUNDS**

Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

**FEDERAL FUNDS RATE**

Interest rate at which banks lend federal funds to each other.

**FEDERAL OPEN MARKET COMMITTEE (FOMC)**

This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

**FIDUCIARY**

An individual who holds something in trust for another and bears liability for its safekeeping.

**FLOATING RATE NOTE**

A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, LIBOR, etc.).

**FUTURES**

Commodities, which are sold to be delivered at a future date

**INTEREST**

The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

**INVERSE FLOATING RATE NOTES**

Variable-rate notes whose coupon and value increase as interest rates decrease.

**LEVERAGED FLOATER**

A security, generally a bond, which has a leverage factor of greater than one and a fixed margin with a variable coupon rate, which is tied to a benchmark interest rate or index.

**LIQUIDITY**

The ease with which investments can be converted to cash at their present market value. Liquidity is significantly affected by the number of buyers and sellers trading a given security and the number of units of the security available for trading.

**LOCAL AGENCY INVESTMENT FUND (LAIF)**

The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

**MARKET RISK**

Market risk is the risk that investments will change in value based on changes in general market prices.

**MARKET VALUE**

The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT**

A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transaction. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY**

The date upon which the principal of a security becomes due and payable to the holder.

**MONEY MARKET MUTUAL FUND**

A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

**MORTGAGE-BACKED SECURITIES (MBS)**

A type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments.

**MUNICIPAL BOND**

Debt obligation of a state or local government entity

**NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD)**

A negotiable certificate of deposit (NCD) is a certificate of deposit with a minimum face value of \$100,000, and they are guaranteed by the bank and can usually be sold in a highly liquid secondary market, but they cannot be cashed in before maturity.

**OPTION**

A contract that provides the right, but not the obligation, to buy or to sell a specific amount of a specific security within a predetermined time period. A call option provides the right to buy the underlying security. A put option provides the right to sell the underlying security. The seller of the contracts is called the writer.

**PAR**

The stated maturity value, or face value, of a security.

**PAR VALUE**

The stated or face value of a security expressed as a specific dollar amount marked on the face of the security, the amount of money due at maturity. Par value should not be confused with market value.

**PREMIUM**

The amount by which the price paid for a security exceeds the security's par value.

**PRIME RATE**

A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**PRUDENT-MAN RULE**

When one person is given control over another's assets, such fiduciaries must act as a prudent man or woman would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**RANGE NOTE**

A structured note that provides investors with an above market coupon, but against foregoing coupon payments when the floating rate (LIBOR, typically) breaks outside the boundaries of a specific range.

**RATE OF RETURN**

The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond and the current income return.

**REPURCHASE AGREEMENT OR RP OR REPO**

An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

**SAFEKEEPING**

A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held by the bank in the customer's name.

**SECURITIES LENDING**

A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

**SETTLEMENT DATE**

The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

**STRIPs**

Bonds, usually issued by the U.S. Treasury, whose two components, interest and repayment of principal, are separated and sold individually as zero-coupon bonds. Strips are an acronym for Separate Trading of Registered Interest and Principal of Securities.

**STRUCTURED INVESTMENT VEHICLES (SIV)**

A pool of investment assets that attempts to profit from credit spreads between short-term debt and long-term structured finance products such as asset-backed securities (ABS).

**TRADE DATE**

The date and time corresponding to an investor's commitment to buy or sell a security.

**U.S. AGENCY OBLIGATIONS**

Federal agency or United States government-sponsored enterprise obligations, participants, or other instruments. The obligations are issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Issuers include: Fannie Mae, Farmer Mac, Federal Farm Credit Banks, Freddie Mac, Federal Home Loan Banks, Financing Corporation, Tennessee Valley Authority, Resolution Trust Funding Corporation, World Bank, Inter-American Development Bank and PEFCO.

**US INSTRUMENTALITIES**

An organization that serves a public purpose and is closely tied to federal and/or state government, but is not a government agency. Many instrumentalities are private companies, and some are chartered directly by state or federal government.

**U.S. TREASURY OBLIGATIONS (TREASURIES)**

Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

**WEIGHTED AVERAGE MATURITY**

The remaining average maturity of all securities held in a portfolio.

**YIELD**

The rate of annual income return on an investment, expressed as a percentage. Yield does not include capital gains. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**ZERO-COUPON BOND**

A bond on which interest is not payable until maturity (or earlier redemption), but compounds periodically to accumulate to a stated maturity amount. Zero-coupon bonds are typically issued at a discount and repaid at par upon maturity.



# Sandie Arnott

## TREASURER - TAX COLLECTOR

**Tiffany Htwe**  
INVESTMENT & FINANCE OFFICER

**Kathy Nunes**  
PROPERTY TAX DIVISION MANAGER

**Date:** May 16, 2023

**To:** All San Mateo County Special Districts

**From:** Sandie Arnott, Treasurer-Tax Collector

**Subject:** County Pool Revised Withdrawal Process

Effective immediately, the Treasurer's Office will work directly with the Controller in processing future withdrawals from the County Pool to ensure such requests meet the requirements outlined in the investment policy.

In the event a withdrawal request causes the submitting district's balance to fall below the set \$250,000.00 minimum required to remain in the pool, the Treasurer's team will immediately reach out to that district to advise of the requirement to close the account to avoid a policy violation.

All voluntary participants are required to maintain a \$250,000.00 minimum balance in the pool in order to remain an active participant as stated in the current County Investment Policy. It is imperative that this requirement be a consideration by all voluntary participants when submitting withdrawal requests to ensure compliance with the policy. Unfortunately, no exceptions can be accommodated.

Should you have any questions, please contact Tiffany Htwe, Investment & Finance Officer, at 650-599-1239 or email at [thtwe@smcgov.org](mailto:thtwe@smcgov.org).

/sa

555 County Center, 1<sup>st</sup> Floor, Redwood City, CA 94063

Treasurer  
(650) 363-4580 ♦ Fax: (650) 363-4944  
[treasurer.smcgov.org](mailto:treasurer.smcgov.org)

Tax Collector  
(866) 220-0308 ♦ Fax: (650) 599-1511  
[tax.smcgov.org](mailto:tax.smcgov.org)



**BROADMOOR POLICE PROTECTION DISTRICT  
APPROVED BUDGET  
FISCAL YEAR 2023-2024**



**PREPARED BY: ROBYN ROSE  
PRESENTED BY: CHIEF MICHAEL P. CONNOLLY**

**BROADMOOR POLICE PROTECTION DISTRICT**

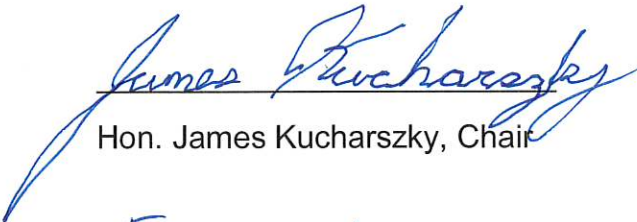
**PROPOSED BUDGET**

**FY 23/24**

**CERTIFICATION OF APPROVED BUDGET**

It is hereby certified that the reading of the Proposed Budget for FY23/24 presented to the Commission by Chief Michael P. Connolly, Interim is approved by the following parties effective July 1, 2023 :

**Approval:**

  
Hon. James Kucharszky, Chair

  
Hon. Marie Brizuela, Secretary

Excused  
Hon. Ralph Hutchens, Treasurer

Date:

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

	FY2023-24	FY2022-23	Change	
	Amount	Amount	\$	%
<b>Sources</b>	\$ 2,977,500	\$ 3,005,000	(27,500)	-0.92%
<b>Requirements:</b>				
<i>Personnel Services</i>	1,960,559	1,986,613	(26,054)	-1.31%
<i>Maintenance and Operation</i>	1,372,725	1,281,179	91,546	7.15%
<b>Total Requirements</b>	<b>\$ 3,333,284</b>	<b>\$ 3,267,792</b>	<b>\$ 65,492</b>	<b>2.00%</b>
<b>Net Surplus (Deficit)</b>	<b>\$ (355,784)</b>	<b>\$ (262,792)</b>	<b>\$ (92,992)</b>	

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

Account #	Sources of Revenue	FY2023-24	FY2022-23	Change	
		Proposed Amount	Adopted Amount	\$	%
0913	Receipts - Trust Fund	5,000	9,000	(4,000)	-44.44%
1021	Current Yr Secured	1,400,000	1,400,000	-	0.00%
1031	Current Yr Unsecured	65,000	70,000	(5,000)	-7.14%
1033	Prior Yr Unsecured	-	-	-	0.00%
1041	CY SB 813 Secured Supplemental	35,000	42,000	(7,000)	-16.67%
1042	CY SB 813 Unsecured Supplemental	-	-	-	0.00%
1043/1045	PY SB 813 Redemption	-	-	-	0.00%
1046	ERAF Rebate	500,000	500,000	-	0.00%
1421	Court Fines	20,000	40,000	(20,000)	-50.00%
1521	Interest Earnings	5,000	10,000	(5,000)	-50.00%
1831	Homeowners Property Tax Refunds	2,500	4,000	(1,500)	-37.50%
2439	Other Special Charges	700,000	700,000	-	0.00%
2658	Other Miscellaneous Revenue	80,000	80,000	-	0.00%
-	Asset Forfeitures	5,000	-	5,000	100.00%
-	Grant Revenue	160,000	150,000	10,000	6.67%
		<b>\$ 2,977,500</b>	<b>\$ 3,005,000</b>	<b>\$ (27,500)</b>	<b>-0.92%</b>

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

**0913 Receipts - Trust Fund**

**Definition: Revenue received from the State related to State Disability or other Payroll-related reimbursements.**

<u>Year</u>	<u>Actual</u>
FY20	8,407.71
FY21	11,076.56
FY22	13,008.48
	<u>32,492.75</u>

**Average                    10,830.92**

**Budgeted                    5,000.00      Less projected in future fiscal years**

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

**Property Taxes**

**Account # 1021 - Current Yr Secured**

**Definition: Property Tax received on real property, both residential and nonresidential**

<u>Year</u>	<u>Actual</u>
FY20	1,393,401.59
FY21	1,438,593.52
FY22	1,490,646.46
	<u>4,322,641.57</u>

**Average 1,440,880.52**

**Budgeted 1,400,000.00**

Budgeted same as prior year as the 3-year average is stabilized.

**Account # 1031 - Current Yr Unsecured**

**Definition: Property Tax received on business and personal property**

<u>Year</u>	<u>Actual</u>
FY20	69,785.83
FY21	65,431.80
FY22	59,087.21
	<u>194,304.84</u>

**Average 64,768.28**

**Budgeted 65,000.00**

Downward trend in revenue the past two years, so budgeted based on FY22 & FY23 revenue received.

**Account # 1033 - Prior Yr Unsecured**

**Definition: Previous year property tax received or on real property, both residential and nonresidential (can be negative if property values are assessed lower or owner appeals amt due)**

<u>Year</u>	<u>Actual</u>
FY20	(874.25)
FY21	1,120.91
FY22	(798.03)
	<u>(551.37)</u>
<b>Average</b>	<b>(183.79)</b>

**Budgeted** -

3-yr trend fluctuated and the balance is insignificant, thus no amount will be budgeted.

**Account # 1041 - CY SB 813 Secured Supplemental**

**Definition: Property Tax received because of change in ownership or new construction on real property**

<u>Year</u>	<u>Actual</u>
FY20	36,425.88
FY21	47,754.91
FY22	46,056.71
	<u>130,237.50</u>
<b>Average</b>	<b>43,412.50</b>

**Budgeted 35,000.00**

*Downward trend in amounts received. Budgeted based on average.*

**Account # 1042 - CY SB 813 Unsecured Supplemental**

**Definition: Property Tax received because of change in ownership or new construction on business or personal property**

<u>Year</u>	<u>Actual</u>
FY20	220.14
FY21	101.64
FY22	177.23
	<u>499.01</u>
<b>Average</b>	<b>166.34</b>

**Budgeted** -

3-yr trend fluctuated and the balance is insignificant, thus no amount will be budgeted.

**Account # 1043/1045 - PY SB 813**

**Definition: Prior years property tax received because of change in ownership or new construction**

<u>Year</u>	<u>Actual</u>
FY20	501.75
FY21	-
FY22	1,588.40
	<u>2,090.15</u>
<b>Average</b>	<b>696.72</b>

**Budgeted** -

3-yr trend fluctuated and the balance is insignificant, thus no amount will be budgeted.



**Account # 1046- ERAF Rebate**

**Definition: Additional Property Tax received because of excess monies remaining in the Educational Revenue Augmentation Fund (ERAF) that was not distributed to required schools and special education programs.**

<u>Year</u>	<u>Actual</u>
FY20	420,737.42
FY21	434,235.55
FY22	566,781.17
	<u>1,421,754.14</u>
<b>Average</b>	<b>473,918.05</b>

**Budgeted 500,000.00**

No change as projected ERAF is consistent over the past two fiscal years.

**Account # 1831 - Homeowner's Property Tax Refunds**

**Definition: Additional Property Tax revenue received on properties that are no longer eligible for the Homeowner's Property Tax Exemption allowable by State legislation.**

<u>Year</u>	<u>Actual</u>
FY20	5,142.54
FY21	4,234.73
FY22	4,485.14
	<u>13,862.41</u>
<b>Average</b>	<b>4,620.80</b>

**Budgeted 2,500.00**

Downward trend in revenue expected, thus budgeted based on FY23 Actuals received as of April 2023.

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

**Court Fines**

**Account #1421 - Court Fines**

<u>Year</u>	<u>Actual</u>
FY20	38,318.65
FY21	45,761.05
FY22	24,762.71
	<u>108,842.41</u>
<b>Average</b>	<b>36,280.80</b>

**Budgeted**

**20,000.00**

Downward trend in fines received

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

**Interest**

**Account #1521 - Interest Earnings**

**Definition: Includes interest from  
County Pooled Investments**

<u>Year</u>	<u>Actual</u>
FY20	26,638.14
FY21	12,642.86
FY22	8,763.91
	<u>48,044.91</u>

**Average                    16,014.97**

**Budgeted                    5,000.00      Downward trend in interest revenue received**

**Broadmoor Police Protection District  
Proposed Budget Summary - Revenues  
For Fiscal Year 2023-24**

**Other Revenue**

**Account #2439 - Other Special Charges**

**Definition: Additional Property tax revenue received from BPD's Override Tax on property within the District**

<u>Year</u>	<u>Actual</u>
FY20	684,129.14
FY21	718,592.14
FY22	716,207.14
	<u>2,118,928.42</u>
<b>Average</b>	<b>706,309.47</b>

**Budgeted 700,000.00**

Consistent amount received the past two years

**Account #2658 - Other Miscellaneous Revenue**

**Definition: Monies received from Tows, Prints, State Mandated Costs, Security detail**

<u>Year</u>	<u>Actual</u>
FY20	149,154.14
FY21	75,239.03
FY22	70,423.78
	<u>294,816.95</u>
<b>Average</b>	<b>98,272.32</b>

**Budgeted 80,000.00**

Budgeted same as prior year as amounts received do not fluctuate significantly.

**Account - Grant Revenue**

**Definition: Monies received from COPS/SLESF Grant**

<u>Year</u>	<u>Actual</u>
FY20	107,947.64
FY21	171,054.10
FY22	161,284.90
	<hr/>
	440,286.64
<b>Average</b>	<b>146,762.21</b>

**Budgeted 160,000.00**

Upward trend in amounts received. Budgeted based on FY23 Actuals as of April 2023 given the consistent increase in revenue.

**Account - Asset Forfeitures**

**Definition: Asset forfeitures (money/narcotics) received from Fed/State**

<u>Year</u>	<u>Actual</u>
FY20	-
FY21	-
FY22	-
	<hr/>
	-
<b>Average</b>	<b>-</b>

**Budgeted 5,000.00**

New account designated for forfeited funds in FY23

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

Account #	Personnel Services	FY2023-24	FY2022-23	Change	
		Amount	Amount	\$	%
<b>4100</b>	Salary and Wages	1,372,661	1,520,211	(147,551)	-9.71%
<b>4300</b>	Payroll Taxes	35,271	158,660	(123,389)	-77.77%
<b>4412</b>	Retirement Plan	471,855	224,742	247,113	109.95%
<b>4400</b>	Health Plan (Kaiser)	80,772	83,000	(2,228)	-2.68%
		<b>\$ 1,960,559</b>	<b>\$ 1,986,613</b>	<b>\$ (26,054)</b>	
	<b>Maintenance and Operation</b>				
<b>5121</b>	Clothing Supplies	13,500	13,500	-	0.00%
<b>5156</b>	Other Household Expense	13,300	13,300	-	0.00%
<b>5199</b>	Other Office Expense	45,000	40,000	5,000	12.50%
<b>5331</b>	Professional Memberships	14,850	14,400	450	3.13%
<b>5416</b>	Fuel and Lubrication	40,000	40,000	-	0.00%
<b>5424</b>	Radio Equipment Maintenance Expense	7,500	2,500	5,000	200.00%
<b>5455</b>	Other General Maintenance Expense	25,000	25,000	-	0.00%
<b>5478</b>	General Maintenance of Structure	13,250	13,250	-	0.00%
<b>5638</b>	Other Utility Expense	34,625	34,625	-	0.00%
<b>5722</b>	Transportation and Lodging	15,000	12,500	2,500	20.00%
<b>5341</b>	Legal Services	155,000	100,000	55,000	55.00%
<b>5858</b>	Other Professional Contract Services	199,700	196,700	3,000	1.53%
<b>5876</b>	Other Professional Services	35,500	54,350	(18,850)	-34.68%
<b>6731</b>	Insurance	644,500	630,054	14,446	2.29%
<b>7311</b>	Vehicles and Equipment	60,000	36,000	24,000	66.67%
<b>5200</b>	School Crossing Guards	56,000	55,000	1,000	1.82%
		<b>\$ 1,372,725</b>	<b>\$ 1,281,179</b>	<b>\$ 91,546</b>	
	<b>Total Funds Requested</b>	<b>\$ 3,333,284</b>	<b>\$ 3,267,792</b>	<b>\$ 65,492</b>	<b>2.00%</b>

## Account #s 4111/4161 - Full-Time and Part-Time Salaries & Wages

<u>Name</u>	<u>Classification</u>	<u>Yearly</u>	
Connolly	Chief	159,994	
Gee	Commander (PT)	65,520	
Carriel	Sgt 1 (FTO Pay/Bilingual)	123,662	** ***
Davis	Corporal I (Adv POST)	124,605	***
Poteat	Officer III (Inter POST)	108,767	
Payne	Officer II (FTO)	98,918	***
Simas	Officer I Basic	91,095	
Thompson	Officer I Basic	91,095	
Huang	Officer I Basic (PT)	45,548	
Nelson	Detective/Sgt (PT)	72,000	
Gamboa	Training Manager/Reserve Coord/Sgt (PT)	72,000	
3 Officers	Per Diem Officers (As Needed)	109,593	
Hernandez	Executive Assistant	84,864	
Drake	PT Assistant	30,000	
		<b>1,277,661</b>	*
13 Holidays		35,000	
<b>Total Full-Time Salary:</b>		<b>1,312,661</b>	
<b>Account #s 4171/4172 - Overtime</b>		<b>60,000</b>	
<b>Total Salaries:</b>		<b>1,372,661</b>	
<b>Total Salary and Wages</b>		<b>1,372,661</b>	

### Notes

\*Two vacant Officer I Basic positions were not budgeted for FY 2023-24 to address the deficit, which amounts to \$182,190.

\*\**Bilingual Pay stipend of \$46.15/pay period*

\*\*\*Field Training Officer (while conducting training) stipend of \$150/month

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Medicare Coverage**

**Account #s 4311/4312 - Payroll Taxes**

*Medicare Coverage Required For Employees Hired After April 1, 1986. Deduction is 1.45%.*

13 eligible employees in this category.

Total Wages In This Category X 1.45% 15,271

**F.I.C.A. (Social security) - 6.2% Total Wages** 20,000

**Total Payroll Taxes - Employer Portion** **35,271**



**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Retirement Plan**

**Account # 4321 - Retirement Plan (CalPERS)**

One Sworn Officer	PLAN 3034 (CLASSIC)	13,900	<i>12.78% CalPERS rate - Employer Portion</i>
Six Officers/Chief	PLAN 25403 (PEPRA)	163,725	<i>23.75% CalPERS rate - Employer Portion</i>
Executive Assistant	PLAN 26444 (MISC)	6,339	<i>7.47% CalPERS rate - Employer Portion</i>
Additional Unfunded Accrued Liability - Classic, PEPRA & Miscellaneous Safety Plans		<u>287,891</u>	
<b>Total Retirement Plan</b>		<b>471,855</b>	

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Health Plan**

**Account # 4413 - Kaiser Health Plan**

**Health, Dental, Vision, Life Insurance and Retirement Benefits\***

Currently we have 6 employees in this category.

Six Members @ Kaiser Small Business Plan (\$6,731/month)	80,772
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<b>Total Medicare Coverage</b>	<b>80,772</b>
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*\* Employee responsible for all cost after retirement*

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Uniform Clothing and Equipment**

**Account # 5121 - Clothing Supplies**

Uniforms and Safety Equipment	<b>13,500</b>
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**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Household Expense**

**Account # 5156 - Other Household Expense**

Cleaning and Janitorial Supplies

Decontamination, Cleaning, bathroom needs, Tissue/paper towels,  
etc.

**13,300**

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Other Office Expense**

**Account # 5199 a-e - Office Expenses**

*Office supplies, Stationary, Misc. Forms, Ammunition,  
Cleaning, Meals, Recognition and Minor Equipment*

5199-a: General Office Supplies	45,000
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<b>Total Office Expenses</b>	<b>45,000</b>
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**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Professional Memberships**

**Account # 5331 - Memberships**

San Mateo County Police Chiefs and Sheriffs Association	1,000
San Mateo County Narcotics Task Force	4,750
California Police Chiefs Association	300
International Association of Police Chiefs	200
FBI National Academy Association	200
California Special Districts Association	8,000
Daly City/Colma Chamber of Commerce	250
San Mateo County 100 Club	150
	<hr/>
<b>Total</b>	<b>14,850</b>

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Fuel and Lubrication**

<b>Account # 5416 - Fuel and Lubrication</b>	<b>40,000</b>
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**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Radio Equipment Maintenance**

**Account # 5424 - Radio Equipment Maintenance**

TEA - Radio Maintenance	2,500
Metro Mobile Communication	<u>5,000</u>
<b>Total</b>	<b>7,500</b>



**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Other Equipment Maintenance**

**Account # 5455 - Other General Maintenance Expense**

Repairs to vehicles and equipment (including parts and labor)	<b>25,000</b>
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**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**General Contract Maintenance**

**Account # 5478 - General Contract Maintenance**

Extended Vehicle Service Contracts

*Sharp Copy machine, RMI Mechanical Contract (facilities), Power  
Maintenance (facilities), AAA Smart Alarm*

**13,250**

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Other Utility & Facility Expense**

**Account # 5638 - Other Utility & Facility Expenses**

Phone, PG&E, Water, Internet, and Garbage Collection Fees	25,000
Storage Unit Rental/ Condo Association	<u>9,625</u>
<b>Total</b>	<b>34,625</b>

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Transportation and Lodging**

**Account #s 5722/5838 - Miscellaneous Employee  
Expense Reimbursement & Training**

Used for P.O.S.T. , Colma Police Range Fee,  
Reimbursement for Training, Travel/Subsistence, and  
annual award dinner

**15,000**

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Contractual Services**

**Account # 5858 - Other Professional Contract Services**

County Communications / Dispatch	110,000
County Information Services (Background Check Fees)	11,200
County Forensics / Medical	14,000
County Warrant Services	11,000
NevTec Contract - IT	40,000
Lexipol - Duty Manual	10,500
Comcast	<u>3,000</u>
<b>Total</b>	<b>199,700</b>

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Legal Services**

**Account # 5341 - Legal Notices**

Best, Best & Krieger - CalPERS Specialist	30,000
Porter Scott - GSRMA Legal Representation	40,000
Aptus Court Reporting	10,000
Davis Law Firm - Police Commission Counsel	<u>75,000</u>
<b>Total</b>	<b>155,000</b>

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Professional and Specialized Services**

**Account # 5876 - Other Professional Services**

Pre-Employment Screenings	3,000
Experian	3,500
Lexis Nexis	1,500
District Audit Fees	15,000
Fiscal Consultants (Bookkeeping and Payroll Services)	6,000
ADP Payroll Processing Service Fee	<u>6,500</u>
<b>Total</b>	<b>35,500</b>

**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Insurance**

**Account # 6731 - Insurance**

General Liability, Auto, AD&D, Property, Structure Insurance	629,500
Unemployment (EDD)	15,000
<b>Total</b>	<b>644,500</b>



**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**Vehicles and Equipment**

**Account # 7311 - Fixed Assets/Equipment**

Vehicles - Lease/Purchase plus outfitting	<u>60,000</u>
<b>Total</b>	<b>60,000</b>

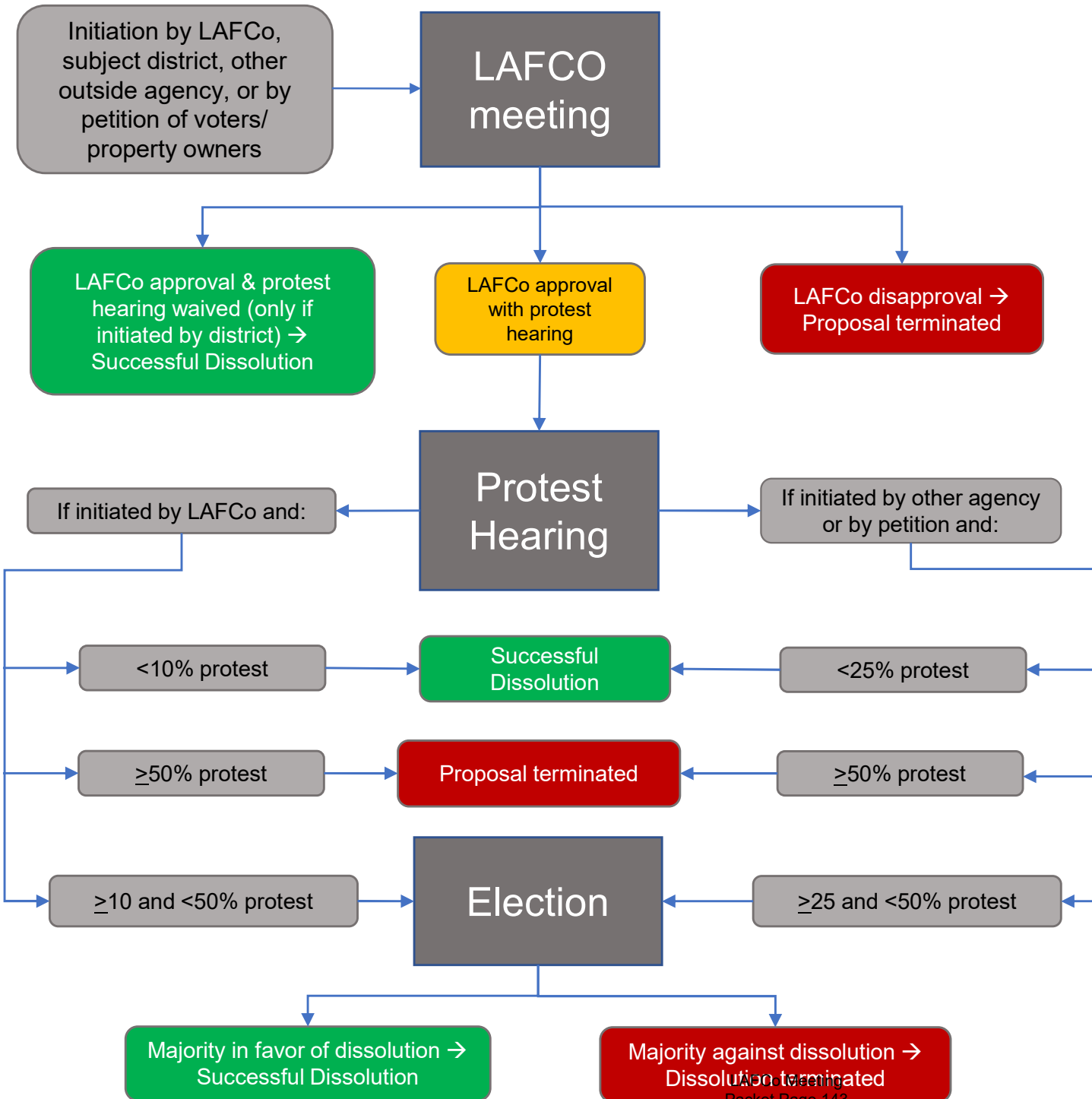
**Broadmoor Police Protection District  
Proposed Budget Summary  
For Fiscal Year 2023-24**

**School Crossing Guards**

**Account # 5200 - School Crossing Guards**

All Cities Management Services	<b>56,000</b>
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# Dissolution of a Special District



## Key Points

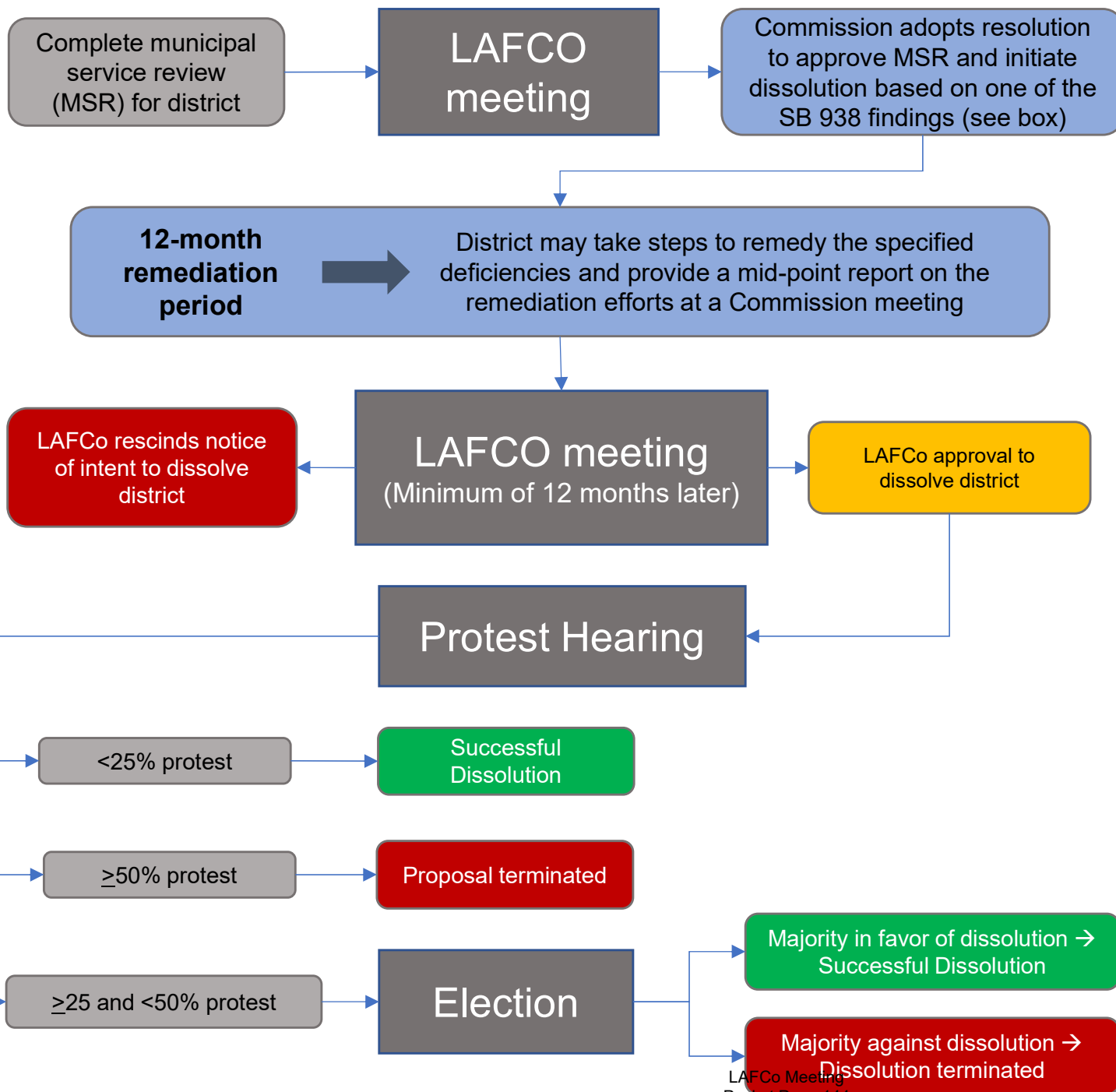
**Dissolution proposal must include a plan for service that describes:**

- The services currently provided by the subject district
- The level & range of those services
- The successor agency that will provide services & when new service will begin
- Any improvements, upgrades or other conditions that the successor agency would require
- How services will be financed & how liabilities will be paid

**Protest thresholds:**

- **Successful dissolution:** <25% of registered voters OR <25% of landowners within the district who also own <25% of the assessed value of land in district. (Threshold is <10% if LAFCo-initiated.)
- **Proposal terminated:** ≥50% of registered voters OR ≥50% of landowners who also own ≥50% of assessed value of land in district.
- **Election is ordered:** At least 25% & less than 50% of registered voters OR at least 25% & less than 50% of landowners who also own at least 25% & less than 50% of assessed value in district (Lower threshold is 10% if LAFCo-initiated.)

# Dissolution of a Special District via SB 938



## What is SB 938?

Signed into law in 2022, SB 938 creates a higher voter protest threshold for LAFCo-initiated dissolutions that meet specific criteria (25% protest threshold instead of 10%). A minimum of a 12-month remediation period must occur before action can be taken.

## What are the requirements to initiate dissolution using SB 938?

Commission must adopt a municipal service review (MSR) that includes a finding that at least one of the following conditions is met:

- One or more documented chronic service provision deficiencies AND Board management is not actively engaged in efforts to fix deficiencies
- Expenditure of public funds in an unlawful or reckless manner AND no action has been taken to prevent similar future spending
- Willful neglect and failure to adhere to the California Public Records Act and other public disclosure laws
- Failure of Board to meet the min. # of times required by its principal act in the prior year AND no action has been taken to ensure future mtgs are held on timely basis
- Consistent failure to perform timely audits over the last three years
- Recent audits show chronic issues with the district's fiscal controls AND no action has been taken to remediate the issue

3/16/2023

## Broadmoor Police Protection District Response to LAFCo Recommendations

RECOMMENDATION	Does BPPD AGREE/NOT AGREE with recommendation (YES/NO)	PLANNED DATE FOR CHANGE OR IMPLEMENTATION	COMMENTS OR REASON FOR NON-AGREEMENT	DETAILS OF CHANGE OR IMPLEMENTATION
<i>Capacity and Adequacy of Public Facilities and Services</i>				
1) The District should explore cost sharing with adjacent cities or other alternatives to contract for or consolidate services to reduce costs.	Agree in part.  COMMENT: This refers to matters other than routine Investigative and patrol functions. BPD shares some costs e.g., dispatching services as do all agencies reliant on County Services.	On-going and operational with local agencies. Daly City and Colma Police Department provide cover units as back up and occasionally will handle calls for service. Broadmoor Police also provides this service for other agencies based upon high priority calls. Broadmoor Police also provide linguistics/Translation services for both field and investigative support. (Spanish/ Cantonese) to numerous agencies.	We do not use other facilities unless a protracted investigation may call for mutual aid. While Police departments generally assist each other in crisis situations, they do not share costs for service delivery. This is evidenced by the fact that every agency must pay booking fees to the SO and Lab fees to the Crime Lab.	N/A
2) The District may consider developing and monitoring performance measures, which could include measurements of response times for calls and call volume to demonstrate the benefit of higher costs associated with higher levels of performance.	Agree in part.  COMMENT: The District already has in place procedures for monitoring employees' performance, which includes cost of providing service along with efficiency of such service. Employees' supervisors prepare regular evaluations.	We have statistics going back to 1999. In 2021, a new method of Computer Assisted Dispatching (CAD) was implemented and tracks all metrics.	Call Response times are currently reviewed, and standards are classified in 5 categories for response time. We do track this. Response times are generally dictated by the severity of the incident. Our metrics of response time are reviewed by me to ensure we are	N/A

			<p>complying with best practices. Higher levels of service are being accomplished through community advocacy and discussion. Call Volume is measured in several ways: Calls for Service. Incident reports generated, number of arrests. Arrest violations are broken down to ascertain crime trends. Moving vehicle citations are tracked to identify problem areas where vehicle enforcement may need additional attention.</p>	
<b>Financial Ability</b>				
<p>1) Prepare a quarterly financial report which presents the District's financial condition in a user-friendly way so board members and staff can better understand financial data. At a minimum the financial data should include a balance sheet, income statement</p>	<p>Agree:</p>	<p>District Annual Audits are prepared for the District, County and State in a timely manner. The report is directly sent to the Board and adopted through public meetings</p>	<p>This was discussed in 2021 and was never implemented after June 2021. This will be implemented immediately with end of year review with FY 2022/23.</p>	<p>The first projected report is anticipated to be in September/October 2023</p>

<p>and a budget-to-actual report to detect potential errors. The reports should reference final actual numbers from the previous fiscal year and should be compared to budgeted numbers. In years where there are deficits, the impact to the District's fund balance should be discussed in the budget documents.</p>				
<p>2) Develop long-term fiscal documents that will assist the District in planning for expenditures, such as retirement costs. The Board could engage in a strategic planning session that will help prioritize goals and review the District's fiscal ability to meet these goals.</p>	<p>Agree</p>		<p>The Department is in current close discussions with CalPers with adherence to best practices. As we work to mitigate significant mishandling of the CalPers accounts, we will seek to address the Districts ability to address the fiscal needs. To be clear, these fiscal liabilities will be borne by any successor agency</p>	
<p>3) Budget documents should show the amount of funds that are allocated to the District fund balance/reserve.</p>	<p>Agree</p>	<p>Any ability to address the District's fund balance will be a direct result from reduced legal costs.</p>	<p>Our reserve funds have been consumed by mandated corrections by CalPERS to adjust and remedy past evasive practices employed by</p>	

			former District Managers. Significant litigation has severely impacted the budget.	
4) Independent audits should be presented to the Board for discussion at public meetings. The audit should include management letters and a review of any recommendations for the audit process and fiscal ability of the District. Audits should be conducted in a timely manner.	Agree	This has been the operational practice for several years. ALL AUDITS are available for review	Timely reporting and required reporting dates are published. Our auditing firm has been notified that the County Controller is now requesting the reports sooner. While the audits are generally submitted in May we plan to initiate earlier reporting starting January 2024.	
5) Develop accounting, financial, governance and general administrative policies to help guide its decision making in a consistent manner. This should include policy regarding the development of a reserve fund as well as a policy about how reserve funds are utilized.	Agree			Unable to implement at this time. This will be reviewed when the appropriate time comes.
6) Explore the development of a Master Plan, Strategic Plan or Capital	Agree		The ability to determine a facility upgrade to facilitate future needs is not	



Improvement Plan that plans for asset management and replacement, such as facility upgrade or repairs and replacement of equipment and vehicles to help plan for long-term capital costs.			practical. We are in a fixed complex without the ability to upgrade. Capital Improvements have been made in FY 2020 to support BPD functionality to the residents. Facility infrastructure is updated and scheduled as needed to maintain compliance with existing regulatory agencies.	
7) Consider allocating accounting and auditing services to two separate firms to enhance fiscal oversight and transparency.	Agree		This is already in practice and has been for 15 years	
8) Adopt annual Gann Appropriation Limit resolutions.	Disagree			
9) Explore ways to reduce reliance on Excess ERAF for routine District operations and maintenance and divert Excess ERAF to a reserve fund that the District can draw from for unexpected expenses.	Disagree.		COMMENT; The district always looks for ways to reduce reliance on uncertain funds; however, income from grants and other uncertain sources has been fairly reliable and most agencies rely upon such income streams.	
10) Post budget documents and audits on the District's website.	Agree		This has been accomplished and past budget and audits have been posted as well as past audit reports.	
<b>Accountability, Structure</b>				

<b>and Efficiencies</b>				
1) LAFCo recommends the creation of staff reports for Board of Commissioners agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Commissioners. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.	Agree		<p>Reports and quarterly schedules are being built out for regular budget reports. As Audit reports become available, these reports will be noted on public agendas and posted on our website.</p> <p>Other jurisdictions do not share services. The agenda packets are created and reviewed by the Police commissions legal counsel.</p> <p>The Commission welcomes any suggestions for creating the staff reports without incurring further expenditures.</p>	
2) Video/audio of Board meetings should be posted on the District's website for public viewing.	Agree		Equipment has been purchased and is being installed to comply with this recommendation	
3) Provide Brown Act training for all Commissioners.	Agree		This has been provided by our insurance carrier in 2021. A Risk management position was created in 2021 to ensure compliance.	
4) Explore hiring additional staff or consultants to perform human	Disagree  COMMENT: This would not be a		The number of human resource functions is minimal. Our	

<p>resource functions and administrative tasks, including budget support. These functions could also be shared services with neighboring agencies.</p>	<p>good use of precious tax dollars. The District believes that the efficient use of tax dollars must be limited to essential needs, which do not include hiring personnel that are not absolutely essential to the mission of providing police services.</p>		<p>insurance carrier provides guidance along with CA Peace Officer Standards and Training. The use of neighboring agencies would incur a cost we currently do not pay.</p>	
<p>5) Post position salary and compensation data on the District's website.</p>	<p>Disagree</p>		<p>This is already available in Transparent California website and our Budget documents posted on our website.</p>	
<p>6) Post contracts and hiring policies on District's website.</p>	<p>Disagree</p>		<p>Applicants for Peace Officer and other positions are posted when needed. The only contracted position is that of the Chief of Police. That will be posted when the Commission is seeking a permanent Chief/District Manager</p>	
<p>7) Develop accounting, financial, governance and general administrative policies to assist the Commission and District staff. This should include the creation of policies regarding</p>	<p>Agree</p>		<p>The staff that is referenced here is both for the District and Commission. Meeting agendas, noticing, Brown Act facts are provided.</p> <p>As we look to revamp our current website, we plan to</p>	

meeting agendas and noticing, Brown Act training, and audit and budget review.			post more relevant documents there.	
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**Completed by:** Michael P. Connolly, MS

Chief of Police/ Special District Manager

Broadmoor Police Protection District

**Date:** July 7, 22023

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**July 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** CALAFCO 2023 Annual Conference

## Summary

Registration is now open for the CALAFCO 2023 annual conference that will be held on October 18-20, 2023 in Monterey, CA. The registration form is enclosed in the agenda packet, and Commissioners may also register online at [www.calafco.org](http://www.calafco.org). The deadline for early bird registration is July 31, 2023. More details are on the CALAFCO website. Commissioners who wish to attend should notify staff at their earliest convenience in order for staff to submit the conference registration for all San Mateo LAFCO participants before the July 31 deadline.

## Attachments

- A. CALAFCO 2023 Annual Conference Registration Form

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



## Annual Conference Registration Form Monterey, California | October 18-20, 2023

For registration by check. To pay by credit card, visit [calafco.org](http://calafco.org)  
Registration deadline is September 29, 2023

LAFCo	Received	Check #
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Please submit one form for each person registering

First Name	Last Name	Name (on name tag)
LAFCo Organization	Position	
Guest Name (for guest/spouse registration)		
Mailing Address	City	Zip
Phone	Attendee's Email	
Emergency Contact Name	Phone	I would like vegetarian meal/s: <input type="checkbox"/> Guest/Spouse: <input type="checkbox"/>

### Conference Registration Rates

	Early Bird Fee Received by July 31	Standard Fee Received Aug. 1-31	Late Fee Received Sept. 1-29
Member – Full Conference	\$615	\$650	\$680
Non-member – Full Conference	\$895	\$945	\$970
Guest/Spouse^ – All Meals	\$335	\$360	\$390
Guest/Spouse^ – Wed Reception/Thur Banquet Only	\$225	\$255	\$285
Member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$455	\$480	\$505
Non-member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$600	\$625	\$650
Mobile Workshop - Wednesday	\$75	\$75	\$75
LAFCo 101 (No charge for those with full conference registration. \$50 for all others.)	\$50	\$50	\$50
<b>TOTAL REGISTRATION RATE DUE</b>			\$

Payment must accompany registration and must be **RECEIVED** by the applicable deadlines to qualify for discounts. **NO EXCEPTIONS.**

Mail completed forms and check made payable to "CALAFCO" to:

**CALAFCO**  
**1020 12th Street, Suite 222**  
**Sacramento, CA 95814**

Hotel rooms start at \$205 per night if booked before September 18, 2023.

To reserve a room at the Hyatt Regency Hotel & Spa, visit:  
<https://bit.ly/43guNNp> or call directly at **877-803-7534** and reference CALAFCO event.

<sup>^</sup>Guests at meals must purchase their meal. Conference registration meals are not transferrable to guests.

#### CANCELLATION AND REFUND POLICY

1. Registrations are considered complete upon receipt of fees.
2. Cancellation requests made in writing and received by September 29, 2023, are fully refunded, less transaction and handling fees.\*
3. Credits are not issued for any cancellations.
4. Registration fees are transferable to another person not already registered provided the request is received in writing.\* Deadline to transfer registrations is October 9, 2023.
5. Registration fees for guests and special events are not transferable but are fully refundable, less transaction and handling fees\*, if written requests are received by September 29, 2023.
6. Cancellation requests must be submitted by email to [info@calafco.org](mailto:info@calafco.org).
7. Cancellation requests made after September 29, 2023 are not eligible for a refund.

\*\$30 handling fee applies.

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

**July 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Voting Delegates at 2023 California Association of LAFCOs (CALAFCO) Annual Conference

## Summary

The 2023 California Association of LAFCos (CALAFCO) Annual Conference will be in Newport Beach from October 18th to October 20th. As part of the Conference, elections will be held for the CALAFCO Board of Directors.

Each LAFCo is entitled to one vote for Board elections and other business before the membership. The CALAFCO bylaws require that member LAFCos designate their delegate in writing, such as a minute order, prior to or at the annual meeting. Delegates may be a Commissioner or an Executive Officer.

Commissioners Ann Draper, Bigstyc, and Chang-Kiraly have expressed interest in attending the conference. Executive Officer Bartoli will also be attending the Conference. In previous years, the Executive Officer has been selected as an alternate in the event the designated Commissioner or alternate Commissioner are not able to participate in the election. In years where the Chair has attended the Conference, the Chair has been designated as the voting delegate.

## Recommendation

By motion, appoint a voting delegate and alternate voting delegate to 2023 California Association of LAFCos (CALAFCO) Conference.

## Attachments

- A. CALAFCO 2023 Voting Delegate Form

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O'NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK



1129 Firehouse Alley  
Sacramento, CA 95814  
(916) 442-6536

### 2023 CALAFCO VOTING DELEGATE

*The Local Agency Formation Commission of the below named county, hereby names and appoints the following Commissioners to be its duly authorized voting delegate and alternate for purposes of the 2023 CALAFCO Board of Directors election to be held on Thursday, October 19, 2023, during the CALAFCO Regional Caucus and Annual Meeting in Monterey, California.*

County Name:

---

Delegate:

---

Alternate:

---

Appointment Authorized by:

---

Name of individual completing form on behalf of the LAFCo:

---

Will your delegate or alternate be attending the CALAFCO Annual Conference?

Yes:            No:

**PLEASE RETURN COMPLETED FORM BY 5:00 PM ON SEPTEMBER 18, 2023**

**TO: René LaRoche via email to: [rlaroch@calafco.org](mailto:rlaroch@calafco.org)**

**Late submissions will NOT be accepted.**



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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**July 13, 2023**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sofia Recalde, Management Analyst

**Subject:** Legislative Report – Information Only

## Summary

### *Legislative tracker*

CALAFCO is currently tracking 21 bills. Legislation that is of interest to San Mateo LAFCo includes the following:

- **SB 360** The California Coastal Act of 1976 does not preclude or prevent any member or employee of the Commission who is also an employee of another public agency, a county supervisor, city councilperson, or a member of specified associations or organizations, and who has acted in that designated capacity voted or acted upon a particular matter, from voting or otherwise acting upon that matter as a member or employee of the Commission. SB 360 would apply the latter provision to members of a JPA or members of LAFCo and add members or employees of JPAs and LAFCos into the list of entities that can sit on the California Coastal Commission. The bill has passed both the Assembly and Senate. *(CALAFCO – Support)*
- **AB 1753** is CALAFCO’s Omnibus bill that seeks to add two minor, non-substantive changes to the Cortese-Knox-Hertzberg Act (CKH) and was signed into law on June 29, 2023. The law allows the Executive Officer (EO) to submit a resolution adopted by the Commission either by mail or by electronic means with confirmation of receipt by the intended recipient and clarifies that any agreements for the exchange of property tax revenues required in accordance with state law must be received by LAFCo prior to the EO deeming an application complete. *(CALAFCO – Support; San Mateo LAFCo - Support)*

## Recommendation

Receive the report.

**COMMISSIONERS:** ANN DRAPER, CHAIR, PUBLIC ▪ KATI MARTIN, VICE CHAIR, SPECIAL DISTRICT ▪ VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ TYGARJAS BIGSTYCK, CITY ▪ WARREN SLOCUM, COUNTY ▪ RAY MUELLER, COUNTY

**ALTERNATES:** CHRIS MICKELSEN, SPECIAL DISTRICT ▪ ANN SCHNEIDER, CITY ▪ JAMES O’NEILL, PUBLIC ▪ NOELIA CORZO, COUNTY

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SOFIA RECALDE, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ ANGELA MONTES, CLERK

**Attachments**

- A. Legislative Daily 7/10/2023

## CALAFCO Daily Legislative Report as of Monday, July 10, 2023

**[AB 530](#) (Boerner D) County Water Authority Act: exclusion of territory: procedure.**

**Current Text:** Amended: 5/15/2023 [html](#) [pdf](#)

**Introduced:** 2/8/2023

**Last Amended:** 5/15/2023

**Status:** 6/8/2023-Re-referred to Com. on RLS. pursuant to Assembly Rule 96.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

The County Water Authority Act provides for the formation of county water authorities and grants to those authorities specified powers with regards to providing water service. The act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agency's corporate area from the county water authority. Current law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion. This bill would additionally require the public entity to submit the proposition of excluding the public agency's corporate area from the county water authority to the electors within the territory of the county water authority. The bill would require the 2 elections to be separate; however, the bill authorizes both elections to run concurrently.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** As introduced, this bill was relative to greenhouse emissions. However, it was gutted and amended on 5/15/2023 and now addresses county water authorities.

Under existing law, the governing body of any public agency has an option (phrased as a "may") to submit to the voters any proposition to exclude the corporate area of that public agency from a county water authority. This bill would add the procedures under which that optional election would be conducted. Specifically, notice would be required in the manner already defined within subdivision (c) of Section 10. The election would be conducted and returns canvassed as provided by law for the elections in the public agency, and a majority of electors within county water authority territory would be needed for passage. The new procedure would also require that these elections will be separate elections but may run with another election.

**[AB 828](#) (Connolly D) Sustainable groundwater management: managed wetlands.**

**Current Text:** Amended: 4/17/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 4/17/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/2/2023)(May be acted upon Jan 2024)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the term "managed wetland."

**Position:** None at this time

**Subject:** Water

**CALAFCO Comments:** Adds definitions for Managed Wetlands, and Small community water system to Water Code Section 10721.

4/17/2023: Amended to define agencies and entities required or excluded from existing 10726.4 (a)(4). Amends Water Code section 10730.2 to add language regarding fees, and amends Water Code section 10733 to address groundwater sustainability plans.

Failed to make April policy committee deadline and now cannot be acted upon until January 2024.

**AB 930 (Friedman D) Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.**

**Current Text:** Amended: 4/26/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 4/26/2023

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/25/2023)(May be acted upon Jan 2024)

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

**Summary:**

Current law authorizes certain local agencies to form a community revitalization authority within a community revitalization and investment area, as defined, and authorizes an authority to, among other things, provide for low- and moderate-income housing and issue bonds, as provided. Current law authorizes a community revitalization and investment plan to provide for the division of taxes within the plan area. This bill would authorize the legislative bodies of 2 or more cities or counties to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would authorize a special district to join a RISE district, by resolution, as specified.

**Position:** Neutral

**Subject:** Special District Principle Acts

**CALAFCO Comments:** This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process.

As introduced, this bill (AB 930) is focused on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1460 (Bennett D) Local government.**

**Current Text:** Introduced: 2/17/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 5/5/2023-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2023)(May be acted upon Jan 2024)

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

**Summary:**

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a nonsubstantive change to the provision naming the act.

**Position:** Neutral

**Subject:** CKH General Procedures, Other

**CALAFCO Comments:** As introduced, this bill makes only a minor nonsubstantive change to CKH in that it would merely add commas to Section 56000 so that it would read: "This division shall be known, and may be cited, as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000."

3/24/2023: No change since introduction.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1637 (Irwin D) Local government: internet websites and email addresses.**

**Current Text:** Amended: 6/29/2023 [html](#) [pdf](#)**Introduced:** 2/17/2023**Last Amended:** 6/29/2023**Status:** 6/29/2023-Read second time and amended. Re-referred to Com. on APPR. (Amended 6/29/2023)

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

**Calendar:**

7/10/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair

**Summary:**

Would, no later than January 1, 2029, require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, 2029, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

**Position:** Watch**Subject:** LAFCo Administration**CALAFCO Comments:** As introduced, this bill would have required LAFCos who do not already have website domains ending with the ".gov" extension to transition to it no later than January 1, 2027. This bill was not considered as having a broad impact on LAFCos given that 12 of them already use the .gov extension.

5/18/2023: The bill was amended and is not longer applicable to LAFCos as its definition of a local agency has been narrowly defined to only cities and counties.

**SB 768 (Caballero D) California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.****Current Text:** Amended: 3/22/2023 [html](#) [pdf](#)**Introduced:** 2/17/2023**Last Amended:** 3/22/2023**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/29/2023)(May be acted upon Jan 2024)

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

**Summary:**

The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA prohibits a public agency from approving or carrying out a project for which a certified EIR has identified one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency finds either (1) changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant effects on the environment, (2) those changes or alterations are within the jurisdiction of another public agency and have been, or can and should be, adopted by the other agency, or (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives identified in the EIR and the public agency finds that those specific considerations outweigh the significant effects on the environment, commonly known as a statement of overriding consideration. This bill would provide that a public agency, in approving or carrying out a housing development project, as defined, a commercial project, or an industrial project, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled or similar metrics if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project..

**Position:** Neutral**Subject:** CEQA**CALAFCO Comments:** Introduced as a spotholder bill that noted an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of

the California Environmental Quality Act.

3/22/2023: The bill was amended and would add language into the Public Resource Code to provide that a public agency, in approving or carrying out certain types of projects, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**SB 865 (Laird D) Municipal water districts: automatic exclusion of cities.**

**Current Text:** Introduced: 2/17/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 3/1/2023)(May be acted upon Jan 2024)

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

**Summary:**

Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

**Position:** Neutral

**Subject:** Annexation Proceedings

**CALAFCO Comments:** Existing law authorizes a governing body of a municipal water district may adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, providing that the territory is annexed prior to the effective date of the formation of the municipal water district. If that happens, the Secretary of State must, within 10 days of receiving a certified copy, issue a certificate reciting the passage of the ordinance that excludes the area from the municipal water district. This bill would extend the Secretary of State's window to issue that certificate from 10 to 14 days.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 68 (Ward D) Land use: streamlined housing approvals: density, subdivision, and utility approvals.**

**Current Text:** Amended: 4/12/2023 [html](#) [pdf](#)

**Introduced:** 12/8/2022

**Last Amended:** 4/12/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 3/16/2023)(May be acted upon Jan 2024)

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

**Summary:**

Would require a local government to approve a proposed housing development pursuant to a streamlined, ministerial approval process if the development meets certain objective planning standards, including, but not limited to, a requirement that the proposed parcel for the development be a climate-smart parcel, as described, or be included in the applicable region's sustainable communities strategy as a priority development area. The bill would set forth procedures for approving these developments and would set forth various limitations for these developments. The bill would authorize the Department of Housing and Community Development to review, adopt, amend, and repeal guidelines, rules, and regulations to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth by this process.

**Position:** Watch

**Subject:** Planning

**CALAFCO Comments:** This bill was introduced as a spot holder in December, 2022, then was gutted and amended on March 16, 2023.

It now seeks to set up ministerial approvals for developments and certain water and sewer service extensions for developments that meet certain parameters. Parameters include that the parcel must be in a high or moderate resource area as categorized by the opportunity maps maintained by the California Tax Credit Allocation Committee, be located within one-mile of transit but be in a very low vehicle travel area, and within one mile of assorted restaurants, bars, coffee shops, etc. Additionally, types of locations that do not qualify are also enumerated. Those include farmlands, wetlands, high fire hazard severity zones (as determined by Cal Fire), in proximity to a hazardous waste site, within a delineated earthquake fault zone, within a special flood hazard area or within a regulatory floodway, lands identified for conservation, protected habitat, and lands under a conservation easement.

3/31/2023: Watch position taken by Leg Committee.

4/21/2023: CALAFCO received word from the Assembly Housing and Community Development Committee, that this bill will not be heard this year.

Under the procedure that would be established by this bill, a minimum of 30 days notice to LAFCo would be required for the public hearing should a county seek to amend its general plan to increase the planned density on climate resilient lands.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 918 (Garcia D) Health care district: County of Imperial.**

**Current Text:** Amended: 7/6/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 7/6/2023

**Status:** 7/6/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.

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

**Calendar:**

7/12/2023 Upon adjournment of Education Committee - 1021 O Street, Room 2100  
SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

**Summary:**

The Local Health Care District Law authorizes the organization and incorporation of local health care districts and specifies the powers of those districts, including, among other things, the power to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district. This bill would form a local health care district in the County of Imperial, designated as the Imperial Valley Healthcare District, that includes all of the County of Imperial. The bill would require the initial board of directors of the Imperial Valley Healthcare District to be appointed from and by specified bodies, including among others, the Imperial County Board of Supervisors, the Pioneers Memorial Healthcare District Board of Directors, and the Heffernan Memorial Healthcare District Board of Directors. The bill would require the initial board of directors to recommend a permanent funding source mechanism to be presented to and approved by voters via ballot measure. The bill would require the initial board of directors to enter negotiations with El Centro Regional Medical Center to decide the terms of the acquisition of the hospital. The bill would require the board of directors to finalize the terms of the acquisition by November 5, 2024. The bill would require the board of directors to hold a minimum of 3 public meetings between the effective date of the bill and January 1, 2025, as specified. The bill would require the board of directors to decide dates for the dissolutions of the Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District and would authorize the board to choose separate dates for each district's dissolution. The bill, on the date or dates decided by the Imperial Valley Healthcare Board of Directors, would dissolve the Heffernan Memorial Healthcare District and the Pioneers Memorial Healthcare District and would transfer the assets, rights, and responsibilities of the dissolved districts to the Imperial Valley Healthcare District.

**Attachments:**

[CALAFCO Letter in Opposition to 4-17-2023 bill amendment](#)

LAFCo Meeting



[CALAFCO Oppose Letter](#)**Position:** Oppose**Subject:** Other**CALAFCO Comments:** As introduced, this bill was merely a spotholder that stated an intent to create a countywide healthcare district in Imperial County.

March 23, 2023, the bill was amended with specifics. It now seeks to rename the Pioneer Memorial Healthcare District to the Imperial County Healthcare District (ICHD) and then sets up what, in essence, is a ministerial process for the countywide expansion of the ICHD. The expansion process is first initiated by the ICHD Resolution of Application, which is required to be filed with LAFCo no later than January 5, 2024. The LAFCo then has 150 days to complete the entire process, including the vote. Protest proceedings for that expansion would be waived under this bill. The bill also does not allow the LAFCo to deny the application. The bill also notes that future changes of organization or reorganization of the resulting districts would need to follow the normal provisions of CKH. A copy of CALAFCO's letter in opposition can be found in the attachments section.

4/17/2023: the bill was amended to entirely remove LAFCo involvement. CALAFCO's second letter of opposition that addresses this amended version can be found in the attachments section.

5/15/2023: The bill was amended again with a return of LAFCo into the process. However, it does again require LAFCo approval. As amended, the bill would rename the Pioneers Memorial Healthcare District to the Imperial Valley Healthcare District, then authorizes the expansion of the newly formed Imperial Valley Healthcare District to include all of the County of Imperial. As before, the bill requires the newly formed district to submit a resolution of application to the Imperial County LAFCo to initiate proceedings to expand the district, then requires the commission to order the expansion subject to a vote of the registered voters within the territory to be annexed. The bill provides for expansion of the district upon voter approval and providing that a funding source is also approved, if necessary. If expansion is approved, the Heffernan Memorial Healthcare District would transfer its assets, rights, and responsibilities to the Imperial Valley Healthcare District. The bill goes on to address other housekeeping issue such as the composition of the newly formed district board of directors.

**[SB 360](#) (Blakespear D) California Coastal Commission: member voting.****Current Text:** Enrolled: 7/7/2023 [html](#) [pdf](#)**Introduced:** 2/8/2023**Last Amended:** 6/14/2023**Status:** 7/6/2023-Assembly amendments concurred in. (Ayes 40. Noes 0.) Ordered to engrossing and enrolling.

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

**Summary:**

The California Coastal Act of 1976 establishes the California Coastal Commission and prescribes the membership and duties of the commission. The act provides that its provisions do not preclude or prevent any member or employee of the commission who is also an employee of another public agency, a county supervisor or city councilperson, or a member of specified associations or organizations, and who has in that designated capacity voted or acted upon a particular matter, from voting or otherwise acting upon that matter as a member or employee of the commission. This bill would apply the latter provision to a member of a joint powers authority and a member of a local agency formation commission.

**Attachments:**[SB 360 Fact Sheet](#)[SB 360 CALAFCO Letter of Support](#)**Position:** Support**Subject:** Other**CALAFCO Comments:** PRC 30318 currently holds a provision that allows members or employees of certain entities to sit on the California Coastal Commission. This bill would add members or employees of JPAs and LAFCos into that list.

3/24/2023: No change since introduction.

3/31/2023: Position changed to support. The Fact Sheet and a copy of CALAFCO's Support letter can be found in the attachments.



**AB 399 (Boerner D) Water Ratepayers Protections Act of 2023: County Water Authority Act: exclusion of territory: procedure.****Current Text:** Amended: 6/14/2023 [html](#) [pdf](#)**Introduced:** 2/2/2023**Last Amended:** 6/14/2023**Status:** 6/21/2023-Re-referred to Com. on GOV. & F.

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

**Calendar:**7/12/2023 Upon adjournment of Education Committee - 1021 O Street, Room 2100  
SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair**Summary:**

The County Water Authority Act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agency's corporate area from the county water authority. Current law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion. This bill, the Water Ratepayers Protections Act of 2023, would additionally require the public entity to submit the proposition of excluding the public agency's corporate area from the county water authority to the electors within the territory of the county water authority. The bill would require the 2 elections to be separate; however, the bill would authorize both elections to run concurrently. The bill would require a majority vote for withdrawal in both elections for the withdrawal of the public agency from the territory of the county water authority. This bill would declare that it is to take effect immediately as an urgency statute.

**Position:** Oppose**Subject:** Detachment Proceedings**AB 557 (Hart D) Open meetings: local agencies: teleconferences.****Current Text:** Amended: 6/19/2023 [html](#) [pdf](#)**Introduced:** 2/8/2023**Last Amended:** 6/19/2023**Status:** 6/29/2023-Read second time. Ordered to third reading.

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

**Calendar:**

7/10/2023 #165 SENATE ASSEMBLY BILLS - THIRD READING FILE

**Summary:**

The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect. Specifically, the bill would extend indefinitely that authority in the circumstances under which the legislative body either (1) meets for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (2) has previously made that determination.

**Position:** Watch**Subject:** Brown Act

**CALAFCO Comments:** Similar in scope to SB 411, this bill is follow-on legislation to AB 361 (2022) and seeks to return some of the pandemic-era teleconferencing provisions to the Brown Act and would change the timeline for legislative bodies to reaffirm an emergency from the current 30 days to 45 days. This bill is sponsored by CSDA.

**AB 805 (Arambula D) Drinking water consolidation: sewer service.**

**Current Text:** Amended: 3/9/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 3/9/2023

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

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

**Summary:**

Would authorize the State Water Resources Control Board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities, including, but not limited to, consulting with the relevant regional water board and the receiving water system and conducting outreach to ratepayers and residents served by the receiving and subsumed water systems, as provided.

**Position:** Watch With Concerns

**Subject:** Water

**CALAFCO Comments:** This bill would authorize the state board, if sufficient funds are available, to order consolidation of sewer service along with an order of consolidation of drinking water systems when both of the receiving and subsumed water systems provide sewer service and after the state board engages in certain activities. Under existing section (b)(3) LAFcos must be consulted and their input considered in regards to the provision of water service but sewer systems seem to be lacking.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 817 (Pacheco D) Open meetings: teleconferencing: subsidiary body.**

**Current Text:** Amended: 3/16/2023 [html](#) [pdf](#)

**Introduced:** 2/13/2023

**Last Amended:** 3/16/2023

**Status:** 5/5/2023-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/16/2023)(May be acted upon Jan 2024)

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

**Summary:**

Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to the Ralph M. Brown Act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This bill appears to be a spot holder in that it currently only makes minor grammatical changes. The lack of substance raises concern regarding future changes to this bill.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies, defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements.

For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1379 (Papan D) Open meetings: local agencies: teleconferences.**

**Current Text:** Amended: 3/23/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Last Amended:** 3/23/2023

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/23/2023)(May be acted upon Jan 2024)

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

**Summary:**

The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** Originally introduced as a spotholder to address "Local agencies: financial affairs", this bill was gutted and amended on March 23, 2023, and now seeks amendment of the Brown Act's teleconferencing provisions. If successful, GC Section 54953 (b)(3) would be amended to remove the requirement to post agendas for teleconferenced meetings at all locations, and would instead limit the posting to a newly defined "singular designated physical meeting location", which is required to have either two-way audiovisual capabilities, or two-way telephone service for the public to remotely hear and address the body. Additionally, the body would have to hold at least two meetings in person each year.

Failed to meet deadlines and now a 2 year bill that cannot be acted upon until January, 2024.

**AB 1753 (Committee on Local Government) Local government: reorganization.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 3/2/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State - Chapter 25, Statutes of 2023.

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

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. The act requires a petitioner or legislative body desiring to initiate proceedings for a change of organization or reorganization to submit an

application to the executive officer of the principal county. The act specifies when an application is complete and acceptable for filing, and requires the executive officer to immediately issue a certificate of filing when an application is accepted for filing, as specified. Upon the filing of an application or a resolution pursuant to the act, but prior to the issuance of a certificate of filing, current law requires the executive officer to give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdiction change is located, as specified. Current law prohibits the executive officer from issuing a certificate pursuant to the provisions described above until resolutions are adopted by specified counties and cities in which they agree to accept the exchange of property tax revenues. Current law authorizes a county and any local agency within the county to develop and adopt a master property tax transfer agreement, as specified. This bill would, if applicable, prohibit the executive officer from accepting for filing an application for change or organization or reorganization and issuing a certificate of filing pursuant to the provisions described above, and would provide that an application is not deemed accepted for filing pursuant to the provisions described above, if an agreement for the exchange of property tax revenues has not been adopted pursuant to the provisions described above.

**Attachments:**

[AB 1753 CALAFCO Letter of Support, 03-28-23](#)

**Position:** Support

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is CALAFCO's Omnibus bill. It seeks to add two new provisions to CKH. The first, would add section (d)(1) to Government Code Section 56658 and would note that R&T Section 99(d)(b)(6) requires an property tax agreement for an application to be considered complete. The second adds language to GC Sec. 56882 allowing transmission of commission determination by email, providing that the executive officer confirms receipt through an electronic read receipt of other means.

CALAFCO's letter of support can be found in the attachments.

**SB 411 (Portantino D) Open meetings: teleconferences: neighborhood councils.**

**Current Text:** Amended: 4/24/2023 [html](#) [pdf](#)

**Introduced:** 2/9/2023

**Last Amended:** 4/24/2023

**Status:** 5/26/2023-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Calendar:**

7/12/2023 9:30 a.m. - State Capitol, Room 126 ASSEMBLY LOCAL GOVERNMENT, CARRILLO, JUAN, Chair

**Summary:**

The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill, until January 1, 2028, would authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This bill would permanently add back provisions to Section 54953.4 of the Brown Act that had been temporarily enacted during the COVID-19 pandemic. The amendment

would allow a legislative body to use teleconferencing provisions, and would define the proper procedure for conducting such a meeting, would require the legislative body to take no further action in the event of a broadcasting disruption within the local agency's control until the broadcast can be resumed, would require time public comment periods to remain open until the public comment time has elapsed, and would not only prevent requiring comments in advance but would also require that the public be afforded the chance to comment in real time.

**SB 537 (Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.**

**Current Text:** Amended: 4/24/2023 [html](#) [pdf](#)

**Introduced:** 2/14/2023

**Last Amended:** 4/24/2023

**Status:** 6/15/2023-Referred to Com. on L. GOV.

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

**Calendar:**

7/12/2023 9:30 a.m. - State Capitol, Room 126 ASSEMBLY LOCAL GOVERNMENT, CARRILLO, JUAN, Chair

**Summary:**

Current law, under the Ralph M. Brown Act, requires that, during a teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of "just cause" to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

**Position:** Watch

**Subject:** Brown Act

**CALAFCO Comments:** This is a spotholder bill that states an intent to expand local government's access to hold public meetings through teleconferencing and remote access.

3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.

The bill is sponsored bu Peninsula Clean Energy, a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

**SB 878 (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 30, Statutes of 2023.

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

**Summary:**

Would enact the First Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[Annual Validations Joint Letter of Support](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is the first of three annual validating acts. The joint letter of support is in the attachments section.

**[SB 879](#) (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 31, Statutes of 2023.

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

**Summary:**

Would enact the Second Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Attachments:**

[Annual Validations Joint Letter of Support](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts. The joint letter of support is in the attachments section.

**[SB 880](#) (Committee on Governance and Finance) Validations.**

**Current Text:** Chaptered: 6/29/2023 [html](#) [pdf](#)

**Introduced:** 2/17/2023

**Status:** 6/29/2023-Approved by the Governor. Chaptered by Secretary of State. Chapter 32, Statutes of 2023.

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

**Summary:**

Would enact the Third Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[Annual Validations Joint Letter of Support](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** This is one of three annual validating acts. The joint letter of support is in the attachments section.

Total Measures: 21

Total Tracking Forms: 21