

APPROVED

Action Minutes

San Mateo Local Agency Formation Commission

January 15, 2014

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Garbarino called the January 15, 2014 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm.

Members Present: Commissioners Allan Alifano, Joshua Cosgrove (Alternate), Linda Craig, Don Horsley, Warren Slocum (Alternate), Chair Richard Garbarino.

Members Absent: Commissioners Joe Sheridan and Adrienne Tissier

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Deputy County Counsel
Brenda Bennett, Executive Secretary
Jean Brook, Executive Secretary

CONSENT AGENDA

Commissioner Craig proposed to remove Item 2d, LAFCo File No. 13-14 Proposed Water Extension by City of Redwood City to two newly created parcels at 3046 Oak Knoll (Unincorporated San Mateo County) pursuant to Government Code Section 56133, because this item was not ready for hearing.

Commission Action: Commissioner Horsley moved approval of the consent agenda with Item 2d removed. Commissioner Craig seconded the motion, which passed unanimously.

Public Comment for Items Not on the Agenda

None.

CONTINUED MATTER

LAFCo File No. 13-05—Proposed Reorganization of the Granada Sanitary District involving sphere amendment and reorganization into the Granada Community Services District in order to add Parks and Recreation Services

Executive Officer Poyatos said this matter was being continued from the November 20th and special December 18th meetings where the Commission received two reports and substantial public comment. She summarized the Commission's last actions and reviewed key issues for recommended conditions of approval of the proposal and the subsequent steps.

She stated that at the December 18th meeting, the Commission tentatively approved the proposal and that Government Code 61000 currently states that a community services district (CSD) is authorized to provide all municipal services except for land use. She said that the proposal also contains a sphere amendment to detach some territory from Granada Sanitary District (GSD) that would be consistent with the requirements of the Local Coastal Program. Ms. Poyatos said that if approved, GSD proposes providing parks and recreation service and

continuing to provide garbage collection in the unincorporated area, and continuing to provide sanitary sewer service in the entire area of GSD which includes the overlap area with the City of Half Moon Bay.

Ms. Poyatos stated that the addendum report clarifies garbage service boundaries for the City of Half Moon Bay and GSD, noting that the District only provides garbage service in unincorporated areas and the City of Half Moon Bay is the franchise holder within city limits.

She cited the draft conditions, compiled into a single document to facilitate review. Ms. Poyatos stated that a resolution has been provided if the Commission votes to approve the proposal, it will move forward to an election but that prior to an election, a protest hearing must be held wherein a majority protest would terminate the application.

She displayed the map showing the proposed boundaries of GSD and the overlap area in Half Moon Bay noting that green boundaries show the proposed GSD that would provide parks and recreation. She stated that there is no proposal to provide parks and recreation for the area within the City; instead, GSD would pass through property tax revenue in a proportional manner for the purpose of parks and recreation. She cited the revised GSD budget with footnotes containing several assumptions and including a Status Quo Budget for sewer service without parks and recreation versus the proposed sewer budget and rates if the services of parks and recreation are added

She displayed the map from the Midcoast Needs Assessment showing projects that could be implemented if GSD is authorized to become a CSD, including the broad medians in El Granada, Quarry Park, Mirada Surf property, and lands of Cabrillo Unified School District (CUSD). Ms. Poyatos stated that park service would be provided in large part by partnering with the City of Half Moon Bay and by the County of San Mateo Parks Department.

Ms. Poyatos stated she wanted to address questions about the overlap area in Half Moon Bay and clarify how the pass-through arrangement would work. She noted that as a draft condition of approval set by the Commission, GSD has submitted a draft agreement to the City of Half Moon Bay that would be considered at an upcoming city council meeting. She noted that the formula results in 18 percent of property tax generated in the overlap area as a proportion of the total property tax generated in the GSD and this formula would be recalculated annually.

Ms. Poyatos reviewed the recommended Conditions of Approval and the status of each. She referred to Page 5 of 10 of the Supplemental Report and reviewed the process and timing of key events including, if approved by LAFCo, a protest hearing and if less than majority protest, an election on the June 3, 2014 ballot.

Ms. Poyatos noted two resolutions that were provided to the Commission: one to approve the proposal and another for denial without prejudice (which would waive the one-year waiting period for submittal of a similar proposal).

Public Comment

Mr. James Larimer, Miramar, requested to delay the election until November 2014 at the earliest. He stated the proposal was premature and there were too many loose ends. He said that all the necessary organizations involved have not yet been contacted. He said the June election would be too early and is not a high-turnout election.

Mr. Leonard Woren, El Granada resident and GSD Director, stated that GSD has met all the conditions for approval of the proposal. He said that the proposed changes have been under discussion for 14 years and it is now time to put it to the voters.

Mr. Bill Huber, Moss Beach, stated that he thought there were too many loose ends to put the proposal on the June ballot. He asked the Commission about the approval process.

Ms. Poyatos responded that the conditions allow leeway for election dates.

Mr. Huber stated that he believed the proposal would have more time to be fleshed out and then put on the November ballot.

Mr. Jeff Peck, El Granada, stated that he thought the idea of a parks district is a great one if done the right way. He said he would like to see it delayed until at least November. He said he doesn't understand what land GSD is planning to acquire, whether they will have active or passive parks programs, or if GSD will talk with surrounding communities (Moss Beach, Montara, and Half Moon Bay). He said he doesn't understand why approval to be a park service is needed before a firm business plan is laid out. He stated he knows many people who would donate land for parks in El Granada and no one has talked to them and believes LAFCo should wait to put proposal on the ballot until a business plan has been created.

Ms. Judy Taylor, Half Moon Bay, stated that she is not satisfied with the process. She said putting this on the ballot will split the community and that town hall meetings should have been happening all along as this process developed, rather than as a culmination of effort. She said the other alternative to parks (i.e., no parks) has not been adequately fleshed out. She said that many coastal residents are tired of the fragmentation, vulcanization, energy and financial expenditure. Ms. Taylor said putting up a wall in the community at Mirada Road/Clipper Ridge when you haven't had that full discussion is probably the reason for the fragmentation in government that we have today. Said she wholeheartedly supports the creation of a CSD only after there has been a coastside-wide conversation, which hasn't happened yet. She gave an example of the local Catholic Youth Organization girls' basketball team not having enough court space for their players and they haven't been talked to about the proposal.

Ms. Fran Pollard, El Granada, Midcoast Park Lands (MPL) Burnham Strip Committee (BSC), stated that she is in favor of going to ballot and putting a vote of the community. She asked the Commission to approve the proposal and said it has been talked about for 14 years. She said it's been 35 years since this proposal was in the community plan that became the local coastal plan. She said many of the parcels involved have already been designated parks and recreation spots and open space in the community plan and going forward with the proposal would allow GSD to manage those parcels. Regarding potential parcel donors, she said the longer the proposal is delayed, the likelihood of acquiring donated land goes down.

Mr. Dan Haggerty said he supports the GSD becoming a CSD. He said he likes the democratic idea of allowing the proposal to go to a vote and doesn't believe it will split the community. He stated he thought it would be an asset to the community if residents didn't have to cross Highway 1 for recreation. He said that currently this increases the burden of traffic.

Mr. Chuck Duffy, GSD General Manager, responded to previous comments noting that regarding lack of preparation and effort: much effort has been put into this proposal over the past several years. He stated the school district was contacted numerous times and he met with the school board president and spoke in front of their board. He said he had not received a comment letter from them, but not for lack of trying. In regard to the proposal not solving parks problem for the whole Midcoast, he stated it is a steppingstone to solving that problem and it is one more agency to address those problems with significant funding. Mr. Duffy corrected his previous statement regarding GSD approval of the Midcoast Action Plan and said it would be approved on January 16th as a guiding document.

Mr. Duffy said there were 30 or 40 meetings prior to the culminating town hall meeting that provided ample opportunity for public comment. He expressed thanks to Ms. Poyatos for her hard work and to the Commission for considering the proposal.

In response to questions from Chair Garbarino regarding why CUSD didn't comment and if GSD would continue to engage them, Mr. Duffy stated he did not know why the school district had not commented but concurred that the District is one of GSD's major partners.

Chair Garbarino asked about prior efforts to form a CSD. Mr. Duffy said their most recent application was in 2005 and prior to that there was an application that failed at election in 1996.

Ms. Poyatos said that while LAFCo had approved the 1996 application, the financing mechanism involved did not pass in the required election.

Mr. Duffy stated that the current efforts by GSD had been on their agenda over the past two years. He said that approximately 30 to 50 people attended the town hall meeting, which was advertised in the newspaper and through flyers.

Chair Garbarino asked if the meetings were at GSD headquarters. Mr. Duffy responded that the town hall meeting was held at El Granada Elementary School due to space considerations.

There being no more speaker slips, Chair Garbarino closed the public hearing.

Discussion

Chair Garbarino acknowledged that in regard to establishing the Midcoast Action Plan for Parks and Recreation as a guiding document, it needs to be updated. He summarized the revised budget, sample budget the agreement with the City of Half Moon Bay on the pass-through of property tax the memorandum of understanding (MOU) with the San Mateo County Farm Bureau and the MOU with the San Mateo County Resource Conservation District. He asked Mr. Duffy about the short-term agreement with the County Parks Department.

Mr. Duffy said he was working with Director of County of San Mateo Parks Marlene Finley.

Chair Garbarino asked about the GSD letter to Montara Water and Sanitary District (MWSD) requesting establishment of a joint consolidation committee. He said he feels that the coast is already bifurcated enough and it doesn't make sense to have multiple recreation districts. He stated that he hopes the move towards consolidation continues to be an ongoing process with the goal that recreation services be consistent throughout the unincorporated. He said he hoped there would be further collaboration with the City of Half Moon Bay and was satisfied the GSD was working with the County Parks Department on an interim basis.

Ms. Poyatos said she and Ms. Archer had researched the question about legal requirements for the timing of an election. She read the following from Government Code Section 57132: *The election on the question of the change of organization or reorganization shall be called pursuant to Section 57000 and held on the next established election date pursuant to Section 1000 of the Elections Code, or Section 1500 of the Elections Code in the case of an election conducted solely by mailed ballot, occurring at least 88 days after the date upon which the resolution calling the election was adopted.*

She said there is no proposal for a mailed ballot and based on the timing of today's approval, the next scheduled election would be in June. She said that if the Commission determined that this proposal go on the November ballot, she asked that the Commission deny without prejudice and allow for a new application to come back to be on the November ballot.

Chair Garbarino asked about the reason for the urgency for the proposal to be on the June ballot versus the November ballot.

Mr. Duffy said that GSD had been pursuing the proposal for a long time and the District wanted it to be voted on sooner rather than later.

Mr. Woren commented on the possibility of purchasing certain parcels for parks, that delays could affect this and believes it's time to send it to the ballot now.

In response to a question from Commissioner Alifano regarding the fact that there is no money in the budget until Fiscal Year 2014-15, Mr. Woren said once GSD had the authority to approach the property owner(s), they could discuss a price and financing schedule.

In response to a question from Commissioner Alifano about if there would be a funding firewall between parks and sewer or between parks and recreation, Mr. Duffy said there is a firewall between sewer and parks, but they could rely on property tax revenues. He said they could amend the budget mid-year and take more property tax if they needed more funds and that GSD also has a rate stabilization fund that keeps the sewer service charges smooth.

In response to a question about the number of signers on a previously received petition of support, Ms. Poyatos said there were approximately 259 signatures. She added that the City had recently indicated the agreement would be placed on an upcoming agenda and the original request from the City was that this proposal be conditioned upon an agreement.

In response to a question about the conditions of approval and what it means if the conditions are not met, e.g., a joint consolidation committee between the two agencies, MWSD and GSD, Ms. Poyatos stated that the way that condition is written in the report is that the condition has been met because it stated that GSD would send a letter to MWSD requesting forming a joint

committee and they have done so. She noted that although LAFCo's goal and charge is to provide for efficient local government, it cannot force consolidation to happen. She said that the authority rests in these elected boards and with the voters who elect them. She said the report also states that an incentive to those discussions would be to see how parks and recreation gets implemented within the proposed CSD and whether that's an incentive for the residents of MWSD and that board to consolidate, join in that effort, and use that model of shifting property tax for park and recreation.

Commissioner Slocum noted that one of the speakers had said there were way too many loose ends and that the vote should be delayed until November and asked for clarification.

Ms. Poyatos said she interpreted the phrase "loose ends" as the repeated past discussion that the plan for service provided by GSD and the budget do not specifically identify what hard structures or facilities would be constructed or what programs would be provided by GSD. She said that as stated in the staff report at the December meeting, the plan for the services and budget GSD provides is really the distinction between a program EIR and a specific EIR. She said a specific EIR can tell you what the footprint of construction is going to be, how much it's going to cost and what the impacts are versus a program EIR, which is more general and states the nature of the activities. She stated LAFCo approved the open space district coastal annexation, which did not specify which lands would be acquired or how many feet of trail would be built. She said that they had an estimated budget of what they would undertake if the annexation were approved. Said she thinks the loose ends are not having down to the dollar what the cost of improvements on Burnham strip will be and the nature of those improvements. She noted the mitigation to that is that GSD would be adopting as an initial program the County's Action Plan and would contract with the County to continue implementing the plan. She said she couldn't speak for what different people's concerns of what "loose ends" might be beyond that.

Commissioner Alifano said he echoes what he's heard so far and the five primary districts on the coast include Coastside County Water District (CCWD), MWSD, GSD, City of Half Moon Bay, and the Sewer Authority Mid-Coastside (SAM). He said he agreed there are too many districts on the coast and part of LAFCo's goal is to make things more efficient by consolidating. He recommended approval of Condition 8 that there be quarterly feedback from GSD regarding consolidation efforts and suggested that LAFCo create an ad hoc committee to meet with these representatives.

Commissioner Alifano commented that if approved for the June ballot, it may be too soon and that the November ballot would make more sense.

Chair Garbarino said that he thought the faster we can get this issue solved, the better off it will be for everybody, particularly for those who have a need for recreation.

In response to a question from Chair Garbarino, Commissioner Horsley responded that it would make the most sense if Commissioners Horsley and Alifano served on the ad hoc committee.

Commissioner Craig said that the proposal is to allow the sanitary district to expand their authority to be able to use the property tax for parks and recreation and this is permission for them to do that. She said she does prefer consolidation in the long term, but said she doesn't see progress being made in a couple of months and she doesn't believe the difference in time

between June and November adds much. She said that an ad hoc committee may be helpful, but five or six months is still a short period of time in the case of consolidating two districts with elected boards. She said she agreed with the staff recommendations for those reasons.

Ms. Poyatos said that Ms. Archer clarified that Condition 8 could allow quarterly reports to be written or oral, allowing GSD representatives to speak at a LAFCo meeting versus having to write a report.

Commissioner Horsley made a motion to approve the establishment of a CSD including all the stated conditions, with the Midcoast Action Plan for parks and recreation being used as the initial guiding document. He said he didn't see a lot of loose ends. He recommended giving GSD the authority to become a CSD.

Commissioner Craig seconded the motion.

Ms. Poyatos recommended that the Commission turn to Page 7 of the January 8th report, which includes the first action that would be to certify that the Commission has considered the GSD revised mitigated negative declaration. She said that the resolution before the Commission includes language about CEQA and includes as an exhibit GSD's mitigation measures.

Commissioner Horsley withdrew the prior motion and made a new motion to certify that the Commission has considered the GSD Revised Mitigated Negative Declaration for the GSD reorganization project and by resolution, accept the Executive Officer's reports dated November 14, 2013; December 12, 2013; and January 8, 2014.

Ms. Archer concurred that each motion be approved separately by voice vote in order to have a clear record.

Commissioner Craig requested that separate motions be made and seconded the motion on the negative declaration, which passed unanimously.

Commissioner Horsley moved to adopt the resolution to accept the Executive Officer's reports dated November 14, 2013; December 12, 2013; and January 8, 2014 and adopt the determinations concerning the sphere of influence amendments and establishing the active services of sewer, garbage collection, and parks and recreation.

Commissioner Craig moved to approve Resolution 1176, LAFCo File #13-05.

Commissioner Horsley seconded the motion, which passed unanimously.

NEW MATTERS

Revised Schedule for Municipal Service Reviews for City of Burlingame, Town of Hillsborough, and City of Foster City/Estero Municipal Improvement District

Ms. Poyatos referenced the January 9th report on the revised schedule for municipal service reviews for the City of Burlingame, Town of Hillsborough, and the City of Foster City/Estero Municipal Improvement District, note that the service reviews would be on LAFCo's May agenda. She also stated staff would concurrently be working on Requests for Proposal (RFPs) for the North County municipal service reviews.

Public Comment: None.

Authorization of Transfer of Funds from Services and Supplies to Salary and Benefits to reflect Part-time Extra Help Executive Secretary Position from January 13, 2014 through June 30, 2014

Ms. Poyatos noted the establishment of a new position to provide ongoing LAFCo support. Ms. Poyatos expressed her gratitude for the past LAFCo support provided by Brenda Bennett of the San Mateo County Parks and Recreation Division and introduced Jean Brook as the new hire.

Public Comment: None.

Commissioner Horsley moved to approve the authorization of the transfer of funds from Services and Supplies to Salary and Benefits to reflect a Part-time Extra Help Executive Secretary position from January 13, 2014 until the end of the fiscal year, June 30, 2014. He expressed the Commission's gratitude to Brenda Bennett and Chair Garbarino concurred.

Chair Garbarino seconded the motion, which passed unanimously on a roll-call vote.

CALAFCo Update

California Within Limits: Research Notes of a History of California's Local Boundary Laws, by Peter Detwiler

Ms. Poyatos noted both *California Within Limits* and a new guide, *50 Years of LAFCOs: A Guide to LAFCOs – California's Local Agency Formation Commissions*, commemorating its 50th anniversary to be posted on the LAFCo website.

Update on CALAFCo Regional Forums

Ms. Poyatos noted there was a request to establish CALAFCo regional forums. She reported that CALAFCo is broken into four geographic regions that were created for CALAFCo board election purposes to provide balance representation. She requested feedback from the Commission to see if they would want to participate in these regional forums, which would involve additional funding for commission members traveling to and from.

There was consensus in support of regional forums.

Public Comment: None.

Commissioner/Staff Reports – Terms expiring May 2014

Ms. Poyatos noted the written report on the Commissioner terms that were expiring and the need to fill the special district member term that is currently vacant.

Public Comment: None.

Adjournment

The meeting was adjourned at 3:43 pm.