

Action Minutes
San Mateo Local Agency Formation Commission
December 19, 2012

In the Board of Supervisors' Chambers, Hall of Justice and Records, Redwood City, California, Chair Craig called the regular December 19, 2012 meeting of the Local Agency Formation Commission to order at 2:30 p.m.

Members Present: Commissioners David Altscher, Don Horsley, Sepi Richardson, Joe Sheridan, Rose Jacobs Gibson, Chair Linda Craig

Members Absent: Commissioners Naomi Patridge, Adrienne Tissier

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

Chair Craig noted that Ms. Jayne Herman, the Alternate Public Member, was present in the audience. Chair Craig introduced Mr. Joshua Cosgrove, the recently selected Alternate Special District Member. Mr. Cosgrove addressed the Commission noting he was the current President of the North Coast County Water District Board, and had served on the Board for eight years. He said he was looking forward to working with the members of the Commission.

CONSENT AGENDA

- a) Approval of Action Minutes: September 19, 2012
- b) LAFCo File No. 12-07-- Proposed Annexation of 15 Sausal Drive to West Bay Sanitary District
- c) LAFCo File No. 12-08--Proposed Extension of Water by the City of Redwood City to 35 Agua Vista (unincorporated San Mateo County) pursuant to Section 56133
- d) LAFCo File No. 12-09--Proposed Annexation of 10 Tagus Court to West Bay Sanitary District
- e) LAFCo File No. 12-10-- Proposed Annexation of 10 Sioux Way to West Bay Sanitary District

Commission Action: M/S Horsley/Richardson to approve the consent calendar.

Motion carried 6-0.

PUBLIC COMMENT

There was none.

NEW MATTERS

Resolution Honoring Supervisor Rose Jacobs Gibson for her Service to the Commission

Commission Action: M/S Richardson/Altscher adopting a resolution honoring Supervisor Rose Jacobs Gibson for her many years of service to the Commission and the County.

Motion carried 5-0 with Commissioner Jacobs Gibson abstaining.

Resolution Honoring Special District Member Iris Gallagher for her Service to the Commission

Commission Action: M/S Horsley/Jacobs Gibson adopting a resolution honoring Iris Gallagher for her many years of service as a Special District Member to the Commission.

Motion carried 6-0.

Information only: Presentation of Circulation Draft Municipal Service Review and Sphere of Influence Update for Highlands Recreation District (No action to be taken by the Commission and this item will be scheduled for the March 20, 2013 hearing.)

Executive Officer Poyatos said this was an overview and preview of one of the many municipal service reviews the Commission would be considering over the next year. She said an administrative draft, prior to a circulation draft, was given to the Highlands Recreation District (HRD) for staff comment. HRD staff placed review of the administrative draft on their Board agenda which led to a broader consideration of a report that was not yet ready for circulation. She said the HRD staff comments would be reflected in the circulation draft report. She said a circulation draft of the report was issued on November 15, 2012 and at a subsequent HRD Board meeting the members again declined to comment on the draft report due to concerns about the yet to be circulated Municipal Service Review and Sphere of Influence Update for the City of San Mateo and County-governed districts serving the area. She said there was concern about reference to annexation in the report. She said since then LAFCo has communicated with local homeowner associations and responded to questions about LAFCo process including providing a flowchart for annexation, and in many ways emphasizing that an annexation process begins with an interest from the community and the agency involved. She said since there was no comment from HRD on the circulation draft and concern about the City of San Mateo report, the Chair had approved rescheduling consideration of these reports to LAFCo's March meeting. She said there would be an extended public comment period on this draft circulation report through the March meeting.

Executive Officer Poyatos made a short Powerpoint presentation on the draft report that outlined where the HRD was situated, highway and road access routes, and the services it provides. She said the unincorporated areas include the Highlands, Baywood Park and Baywood Plaza neighborhoods all of which have homeowners' associations. She summarized the key issues considered in the report, which is found on pages 3 and 4 of the Circulation Draft Municipal Service Review and Sphere Update. She said comments had been received from the City of San Mateo indicating that there did not seem to be efficiencies provided by having the HRD become a subsidiary district of the City nor was it clear how or if that model of governance would benefit either HRD or the City. She said letters of support for HRD from the County Sheriff's Office, CALFire and 50 residents had been received.

Executive Officer Poyatos said the District constructed a new early education center with Certificates of Participation Bonds that opened in January 2011 and has built into the budget a fee cost recovery. She highlighted that LAFCo does an inventory of services and if HRD wanted to add services beyond recreation district that they would need to do so through LAFCo process. She said the District describes its programs as at capacity, sets its registration windows to first cater to the HRD residents and established rates that would not result in decline in participation for the fiscal viability of operations. She provided a brief report on the areas of determination found on pages 5 through 16 in the Circulation Draft report. She highlighted the Ticonderoga project that was proposed to dedicate 92 acres of open space, which might succeed to HRD.

Chair Craig asked if the development and open space area (Ticonderoga project) was currently within the HRD. Executive Officer Poyatos said this area was not currently within the HRD boundaries.

Executive Officer Poyatos noted finally that the report was not a proposal for annexation and provided a flowchart describing the annexation process, which she indicated would also be posted to the LAFCo website for reference. She said page 16 of the report listed all governance alternatives. She said this report also reviewed HRD's sphere of influence designation which currently was coterminous as a subsidiary district of the City of San Mateo if the area annexed to the City. She said the key questions for HRD in commenting on the municipal service review besides the general content and new information from the City of San Mateo and the benefits for the Sheriff's Office deputies being able to use HRD's facilities was what the HRD wanted the District's sphere to be, and what form of governance did they and the community want, whether it was incorporated into a City or not. She said another key issue was the status of the open space lands and who would become successor given their proximate location to the HRD.

Questions of Staff: Chair Craig confirmed that this was not a formal public hearing and was an information only item. She said also that typically a public hearing was not heard on a municipal service review and sphere of influence until after the affected agency commented on the document. She noted part of the delay on this one was that the HRD had not yet been able to comment on the Circulation Draft provided to them.

Public Comment: Supervisor Dave Pine, San Mateo County Board of Supervisors, provided a comment letter. He said he was the representative on the Board of the Highlands area. He said a municipal service review and sphere of influence update was a good tool for organizations to see how they were operating their organization. He said having a community workshop was a welcome idea and his office would be happy to help facilitate that. He said the facilities governed by the HRD were central to the community. He said that the review was not a proposal for the HRD to annex or dissolve, noting that the community was not inviting that and has a recreation district that really works well.

Ms. Liesje Nicolas said she was a resident within CSA-1 and HRD boundaries, and she appreciated that the CSA-1 and HRD review was delayed to allow for their homeowners'

associations to be part of the information gathering and assessment for the report. She said she was a lifetime resident of the Highlands. She supported keeping the HRD as a special independent district with no change to management and no annexation to the City. She said she supported the recommendation of keeping the sphere of influence status quo but did not support the recommendations to annex any of their services to the City. She requested that HRD be removed from the City of San Mateo's sphere of influence and that LAFCo stop contracting with the County to create reports about annexing Highlands' services. She said that they have created great relationships with their varied service providers.

Mr. JP. Bernard, Highlands resident and the Highlands' Community Association Vice President, said he was served by CSA-1 and HRD. He thanked the Commission and staff for deferring the report on the HRD and CSA-1 to allow community groups the opportunity to participate in the information gathering and assessment. He said in reference to the HRD that recreation centers across the County have a very varied portfolio of services. He said the analysis should call out services, cost and income before coming to a conclusion that there were over-costs. He said it would benefit the community if the analysis compared services and programs of recreation centers across the County with similar ones at HRD as that could establish benchmarks for HRD. He said they were very interested in the results and conclusions of this review and the results should be actionable for the community and not just annexation or not.

Mr. Trisha Toomey, City of San Mateo Manager's Office, said the report was not at the request or the prompting of the City, that the City was not initiating a discussion of annexation but was responding to LAFCo. She said their participation was the same as the residents and that was to receive the materials and comment upon them as a stakeholder.

Supervisor Horsley asked if HRD had to be part of the sphere of influence of a City whether it was San Mateo or Hillsborough. Executive Officer Poyatos said there were 18 unincorporated areas on the Bayside that were designated urban in the County's General Plan. She said the General Plan has policies that encourage cities to annex urban type areas that need city services. She said it would be counter to State law and County General Plan to remove an urban area from a sphere of influence and not recognize the long term sustainability challenges the County faces in servicing these small unincorporated areas.

Chair Craig said a comment was made that the Highlands was not adjacent to the City of San Mateo which seemed a barrier to annexation to the City. Executive Officer Poyatos pointed out a map showing the area of the Highlands, Baywood Park and Baywood Plaza. She said there were shared boundaries on the northeastern side down to the southeastern side with the City of San Mateo. She said to the north was the Town of Hillsborough that was incorporated around a certain land use philosophy based on estate-sized lots and their sphere of influence did not include the Highlands. She said the only city that could best provide services to the Highlands was the City of San Mateo and the study area was eligible for annexation according to the Cortese-Knox-Hertzberg Act as it was contiguous to the City boundaries.

Chair Craig said the public hearing of this item would be scheduled for March 20, 2013.

Executive Officer Poyatos said other reviews for the Cities of Burlingame, Hillsborough, Foster City were in different stages of preparation. She said the County and City were reviewing at an administrative level the report on the City of San Mateo, County Service Area 1, Crystal Springs County Sanitation District and related County-governed Districts.

Legislative Update

Chair Craig asked for a summary of legislative actions pertinent to CALAFCo. Executive Officer Poyatos confirmed that would occur and indicated at the next meeting the Commission would get a summary of changes to the Cortese-Knox-Hertzberg Act that were enacted in the last legislative session and any changes to procedures or policies that needed to be considered by the Commission.

Appointment of Chair and Vice Chair for 2013

Commission Action: M/S Richardson/Altscher to nominate Commissioner Horsley for Chair for 2013.

Motion carried 6-0.

Commission Action: M/S Horsley/Richardson to nominate Commissioner Richardson for Vice Chair for 2013.

Motion carried 6-0.

Appointment of Budget Committee and Other Committees for 2013

The Commission's consensus was for Commissioners Horsley, Richardson, and Altscher to act as the budget committee.

Commissioner/Staff Reports

Chair Craig said she had provided staff with a written report on the CALAFCo conference in Monterey she had attended.

Executive Officer Poyatos said there was a discussion at the conference about having the resources to check in with agencies a year after service reviews as to how they might be implementing recommendations.

Chair Craig noted the Commission was expecting an update from the San Mateo Mosquito and Vector Abatement District in January.

Adjournment

Chair Craig adjourned the meeting in memory of former Supervisor Mike Nevin, coastside activist Paul Perkovic, and the victims in the Newtown, Connecticut shooting.

The meeting adjourned at 3:36 p.m.