

APPROVED

Action Minutes

San Mateo Local Agency Formation Commission Meeting

November 19, 2014

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Garbarino called the November 19, 2014 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:31 pm.

Roll Call

Members Present: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, and Ric Lohman (Alternate); Chair Rich Garbarino and Vice Chair Linda Craig (arrived at 3:00 pm)

Members Absent: Commissioners Adrienne Tissier and Joe Sheridan

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Deputy County Counsel
Jean Brook, Commission Clerk

Chair Garbarino noted that Commissioner Ric Lohman (Alternate Special District Member) was sitting in for Commissioner Joe Sheridan and that Commissioner Mike O'Neill (Alternate City Member) was in the audience.

Consent Agenda

Commission Action: Commissioner Horsley moved approval of the consent agenda consisting of the Action Minutes: September 17, 2014; LAFCo File No. 14-09—Proposed Annexation of 145 Bear Gulch Drive, Unincorporated San Mateo County, to West Bay Sanitary District; LAFCo File No. 14-10—Proposed Annexation of 465 Golden Oak Drive, Portola Valley, to West Bay Sanitary District; and LAFCo File No. 14-11—Proposed Annexation of 410 Cervantes Road, Portola Valley, to West Bay Sanitary District. Commissioner Alifano seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, and Chair Rich Garbarino; Noes: None.)

Public Comment for Items Not on the Agenda

None.

LAFCo File No. 14-03—Minor Sphere of Influence Amendment and Proposed Annexation of Assessor's Parcels 049-072-320, 020, 030, and 120 Adjacent to 17 Cranfield Avenue to the City of San Carlos (0.68 acres)

Executive Officer Poyatos, referring to the November 12, 2014 staff report and slide presentation, noted that the properties are located in Devonshire in unincorporated San Mateo County within the San Carlos sphere of influence (SOI). She said the proposal includes dividing the parcel into four lots and constructing four single-family homes.

She noted the mitigated negative declaration from the City of San Carlos included in the meeting packet. She stated that potential impacts are related to construction dust, noise,

nesting birds, protected trees, invasive weed control, seismic hazards, and cultural resources. She said mitigation measures are within the responsibility of the City of San Carlos and not LAFCo. She recommended approval of LAFCo File No. 14-03 and recommended a voice vote to approve Action 1 and a roll-call vote to approve Action 2.

Ms. Poyatos noted that the property owner, Mr. Pal Goswamy, was in the audience.

Public Comment: None.

Commissioner Lohman asked about the type of nesting birds. Ms. Poyatos said the term “nesting birds” is used just generally, and that endangered species would have additional precautions.

Commission Action No. 1: Action by Motion (Voice Vote): Commissioner Alifano moved that the Commission has considered the mitigated declaration and that the Commission finds that the mitigation measures for the “17 Cranfield Annexation and Subdivision Project, July 2014” prepared by the City of San Carlos are within the responsibility of the City of San Carlos and not LAFCo and such changes have been or should be adopted by the City of San Carlos. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, and Chair Rich Garbarino; Noes: None.)

Commission No. 2: Action by Resolution (Roll Call Vote): Commissioner Horsley moved to Approve LAFCo File No. 14-03—Proposed Minor Sphere of Influence Amendment and Annexation of APNs 049-072-320, -020, -030, -120 fronting Cranfield Avenue and Adjacent Roadway to the City of San Carlos and waive conducting authority proceedings. Commissioner Alifano seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, and Chair Rich Garbarino; Noes: None.)

LAFCo File No. 14-04—Proposed Annexation of Assessor's Parcels 182-34-011 and 183-34-052 located on Arastradero Road in Santa Clara County to West Bay Sanitary District and subsequent annexation to the On-site Wastewater Disposal Zone (11.6 acres)

Ms. Poyatos, referring to the staff report and slide presentation, noted that this is the second application this year where the Commission is considering annexation of property in a county other than San Mateo. She said Santa Clara LAFCo made a decision at their August hearing to recommend approval of annexation of the two parcels. She noted the application came from two separate property owners and was consolidated into one application.

Ms. Poyatos stated the larger of the two parcels is slated for demolition of the existing structure and subsequent new construction of a single-family home, pool house, and horse facility. She said they would also require pumping systems and annexation to the on-site wastewater disposal zone. She said West Bay Sanitary District and Santa Clara County adopted resolutions of zero property tax exchange and that the project is exempt from the California Environmental Quality Act (CEQA).

Ms. Poyatos noted that staff recommendation is twofold: (1) by voice vote to find that the annexation is exempt from CEQA and (2) by resolution to approve the annexation, waive

conducting authority proceedings, and approve subsequent annexation to the on-site wastewater disposal zone.

Public Comment: None.

Commission Action No. 1: Action by Motion (Voice Vote): Commissioner Horsley moved to find LAFCo File No. 14-04 exempt from CEQA. Commissioner Alifano seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, and Chair Rich Garbarino; Noes: None.)

Commission No. 2: Action by Resolution (Roll Call Vote): Commissioner Alifano moved to approve the above annexation by resolution. Commissioner Horsley seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, and Chair Rich Garbarino; Noes: None.)

Request for Authorization to Circulate a Request for Proposals for Preparation of a Municipal Service Review and Sphere of Influence Update for the San Mateo County Harbor District

Ms. Poyatos noted that this item is a follow-up to a Civil Grand Jury recommendation and LAFCo's response that by the end of the calendar year, it would initiate a municipal service review (MSR) and SOI update on the San Mateo County Harbor District. She said that LAFCo staff is seeking to release a request for proposal (RFP) for a consultant-prepared report since said preparation would exceed the current workload and staff resources to meet the timeline requested by the Grand Jury. She added that a consultant-prepared review would go into more detail on Harbor District finances.

She referred to the staff report, which contains an overview of the scope of work, and stated that there is adequate funding in the LAFCo budget to support the MSR project.

Public Comment: Mr. Rich Landi, Palomar Park resident and Bayshore Sanitary District maintenance director, noted that he is a supporter of special districts. He said he believed very little new information would be uncovered in a new MSR beyond what was reported in the last MSR done in 2008. He requested that LAFCo not hire a consultant to prepare a District MSR at this time. He also said he did not agree with the Grand Jury report's conclusion that the District is dysfunctional.

Commissioner Cosgrove mentioned that the San Mateo Chapter of the California Special Districts Association had their meeting the previous night where concerns were raised about using consultants to prepare service reviews. He said he is hesitant about using a consultant for the Harbor District MSR.

Commissioner Horsley referred to the San Mateo County Mosquito Abatement (now Mosquito and Vector Control) District not being dissolved and taken over by the County, but having major changes made to its management and financial process to increase transparency. He said he believed having an MSR would be healthy for both the County and the District. He said that an independent consultant not connected with the County or LAFCo could be beneficial. He said he didn't believe that 2008's MSR provided adequate information and that there are outstanding issues raised by the Grand Jury report.

Commissioner Lohman asked if it would be better to do an MSR now and come up with recommendations for changes or would it be better to let the District board make changes and then evaluate them.

Ms. Poyatos noted that she wanted to make some clarifications and also noted that Vice Chair Craig had arrived at the meeting. She provided background on the San Mateo LAFCo staffing downsizing over time. She cited that the implementation of the Cortese Knox Hertzberg Act in 2000 increased the responsibilities of LAFCo. She said she believed the proposed MSR could serve as an additional tool to the new board of the Harbor District. She said one economical consideration would be to do a hybrid project with staff preparing some of the MSR and then an outside accounting firm preparing the financial analysis portion.

Commissioner Alifano said it was a question of whether or not LAFCo should do an MSR and said he thought that it was the proper time to do one. He said that he saw no reason to delay the RFP going out and it could be decided later when the best time would be to initiate the MSR. He said he believes the goal of doing the MSR is to be as objective as possible.

Vice Chair Craig noted that LAFCo has budgeted \$50,000 for consulting services, which she believes are necessary to become current with existing projects. She said the concern with the elected officials at the Harbor District is a separate issue from getting the MSR done.

Chair Garbarino said he feels that six-year-old data is stale and that he favors starting afresh with a new MSR for 2015. He said that using an independent consultant would provide more transparency and agreed that staff did not have the time needed to perform the work.

Commissioner Cosgrove noted that there could possibly be a time issue with getting bids for the Harbor District MSR as there was for the North Counties MSR a few months back. He said he was confident that the Executive Officer would maintain the needed transparency and objectivity in preparing the MSR.

Commissioner Lohman favored the hybrid review idea proposed by Ms. Poyatos where the consultant would focus on the financials only. He said he thought it might be a good compromise that would lower the consulting fees.

Commissioner Horsley said he thought the scope of work could include, for example, an analysis of the current and future need for services and description of the value of those services to the County, identification of governance options, fiscal analysis, and alternative means of funding services.

Commission Action: Commissioner Horsley moved to approve the request for authorization to circulate a request for proposals for preparation of an MSR and SOI update for the San Mateo County Harbor District. Vice Chair Craig seconded the motion, which passed 5 to 1. (Ayes: Commissioners Allan Alifano, Don Horsley, Ric Lohman, Chair Rich Garbarino, and Vice Chair Linda Craig; Noes: Joshua Cosgrove.)

California Association of Local Agency Formation Commissions (CALAFCO) Correspondence

Ms. Poyatos acknowledged the CALAFCO newsletter and the October 28 letter from the CALAFCO Executive Director thanking the Commission for sending representatives to the annual conference. She noted that the conference attendees may want to share their input.

Public Comment: None.

Commissioner Horsley said he saw in the newsletter that the chair of one of the committees is Clay Parker, who was Sheriff of Tehama County when he (Commissioner Horsley) was Sheriff of San Mateo County, noting that they have both moved on to LAFCo.

Vice Chair Craig said she had submitted a report about her experience at the conference. She noted that of particular interest were sessions on groundwater basins, shared services, and LAFCOs now being allowed to look at joint powers authorities (JPAs) as part of their review of agencies. She said they talked with coastal colleagues in their regional groups where she reported about the successful reorganization of the Granada Sanitary District into Granada Community Services District, the continuing efforts to dissolve the Los Trancos County Water District, and how LAFCo is doing with various Grand Jury reports.

Commissioner Lohman said one of the local water districts demonstrated their brand new Frontier Project (green) building. He mentioned groundwater sessions where they discussed statewide projects and water basins. He said they talked about recharging water and getting it back into the reserves. He said there was also a big discussion on minerals and mining.

Commissioner Horsley mentioned that San Diego is now talking about mixing tertiary-treated water with drinking water.

Legislative Report

Ms. Poyatos noted the report summarizes bills that were vetoed, including the bills endorsed by all LAFCOs that would have reinstated revenues to newly incorporated cities and cities that had newly annexed inhabited areas. She said the report has some bills that were signed that are groundwater related. She said that LAFCo will now have the authority in preparing MSRs to get information from JPAs.

Public Comment: None.

Commissioner Horsley said that he and former Supervisor and now Assemblyman Rich Gordon have discussed healthcare districts. He noted that the community health needs assessment bill is dead and thought it was remarkable that the healthcare districts fought that legislation.

Commissioner Horsley mentioned that he was also following groundwater management and that there would be a statewide agency handling that. He said he was disappointed that legislation concerning land use planning for sustainable farmland strategy did not pass. He said that he wanted to continue pursuing these two pieces of legislation.

Appointment of Chair and Vice Chair for 2015

Ms. Poyatos noted that these positions have traditionally rotated through the different membership types: County, city, special district, and public. She requested nominations for Chair and Vice Chair.

Public Comment: None.

Vice Chair Craig noted that she came up for her position as Vice Chair in 2014 in lieu of a special district member. She recommended that the special district member be put back in rotation for Vice Chair.

Commissioner Horsley nominated Commissioner Cosgrove for Vice Chair.

Commission Actions: Commissioner Horsley moved to approve Joshua Cosgrove as the Vice Chair for 2015. Commissioner Alifano seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, Chair Rich Garbarino, and Vice Chair Linda Craig; Noes: None.)

Vice Chair Craig indicated her willingness to serve as Chair and Commissioner Horsley moved to nominate her as the Chair for 2015. Commissioner Garbarino seconded the motion, which passed unanimously. (Ayes: Commissioners Allan Alifano, Joshua Cosgrove, Don Horsley, Ric Lohman, Chair Rich Garbarino, and Vice Chair Linda Craig; Noes: None.)

Appointment of Budget Committee and Other Committees for 2015

Ms. Poyatos noted that each year, the Commission adopts the budget in two different phases. She said LAFCo relies on a budget subcommittee of typically three Commissioners to advise on the budget at several meetings. She also recommended selection three Commissioners for the legislative committee and asked for recommendations about how they could be more efficient in discussing and reporting on legislation given the bimonthly LAFCo meeting schedule.

Public Comment: None.

Vice Chair Craig and Commissioner Cosgrove offered to be on the budget committee.

Commissioner Horsley and Vice Chair Craig offered to serve on the legislative committee. Commissioner Lohman offered to serve on the legislative committee as well, since Commissioner Sheridan wasn't in attendance.

Ms. Poyatos asked Ms. Archer if it was possible for an alternate to serve on a LAFCo committee. Ms. Archer said that while there is not a specific prohibition against having an alternate serve on a committee, she would look into the issue.

Ms. Poyatos said she thought it would be helpful if the budget committee had three of the four Commission member categories. Commissioner Horsley proposed Commissioner Tissier for the budget committee.

Ms. Poyatos asked if any formal action needed to be taken for the committee appointees. Ms. Archer said it was optional to take a vote on it. Chair Garbarino said he was fine with consensus and Ms. Archer concurred.

Commissioner/Staff Reports

Ms. Poyatos stated that there has been a lingering issue with Menlo Park Fire Protection District (MPFPD) regarding territory that is not within District boundaries and located on Alpine Road just outside of Portola Valley near Ladera. She said the area is unincorporated and included in the County Structural Fire funding territory, but there is no County fire station nearby and MPFPD is the nearest responder. She said for this reason, the District periodically raises the issue of annexation. She said she recently attended an MPFPD board meeting where she explained the annexation process and emphasized that an annexation application should be preceded by discussions between the District and the County.

Public Comment: None.

Commissioner Lohman noted that Granada Sanitary District officially became the Granada Community Services District as of October 1.

Resolution Honoring Allan Alifano for his Service to the Commission

Chair Garbarino read the resolution aloud and expressed his thanks to Commissioner Alifano.

Commissioner Alifano expressed his appreciation for having served on the Half Moon Bay City Council for five years and for his time with LAFCo. He said he looked forward to LAFCo's continued progress into the future.

Commissioner Horsley noted that Commissioner Alifano was a city councilmember in his district and expressed his appreciation for having had the opportunity to work with him.

Adjournment

The meeting was adjourned at 3:35 pm.