



# LOCAL AGENCY FORMATION COMMISSION

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

## AGENDA

Wednesday, January 21, 2015

2:30 pm

### Board of Supervisors' Chambers

Hall of Justice and Records

400 County Center

Redwood City, CA 94063

1. Roll Call
2. Consent Agenda\*
  - a. Approval of Action Minutes: November 19, 2014
  - b. LAFCo File 14-12—Proposed Annexation of 40 Minoca Road (APN 079-103-010), Portola Valley, to West Bay Sanitary District (1.58 acres)
3. Public Comment for Items Not on the Agenda
4. Consideration of Authorization of Contract with the Consulting Firm of Economic & Planning Systems, Inc., for Preparation of Municipal Service Review and Sphere of Influence Update for the San Mateo County Harbor District
5. Applications Received and Not Certified as Complete and Ready for Hearing:  
LAFCo File 14-14—Proposed Annexation of Assessor's Parcel (APN 079-103-010) on Vista Verde Way, Unincorporated San Mateo County, to West Bay Sanitary District
6. Legislative Report and Update on Chaptered Bills Affecting LAFCo
7. Correspondence from County Controller to San Mateo County Mosquito and Vector Control District
8. Commissioner/Staff Reports
9. Adjournment

\* 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agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn.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.

(OVER)

**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.

Also, pursuant to Government Code Sections 56700.1 and 81000 et seq.:

*Any person or combination of persons who directly or indirectly contribute \$1000 or more or expend \$1000 or more in support of or opposition to a change of organization or reorganization that has been submitted to the Commission must comply with the reporting and disclosure requirements for local initiative measures.*

**Access for the Disabled:** LAFCo meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) 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 the LAFCo Executive Officer at least five working days before the meeting at (650) 363-4224, fax (650) 363-4849, or at [MPoyatos@smcgov.org](mailto:MPoyatos@smcgov.org). Notification in advance of the meeting will enable the LAFCo staff to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.

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

**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 Director 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 Senator 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.



## LOCAL AGENCY FORMATION COMMISSION

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

January 14, 2015

**To:** LAFCo Commissioners

**From:** Martha Poyatos, Executive Officer *M. Poyatos*

**Subject:** LAFCo File No. 14-12–Proposed Annexation of 40 Minoca Road (APN 079-103-010), Portola Valley, to West Bay Sanitary District (1.58 acres)

### Summary

This proposal, submitted by landowner petition, requests annexation to connect an existing single-family home and addition to West Bay Sanitary District sewer main and abandon the existing septic system. The proposal has 100 percent landowner consent and waiver of conducting authority proceedings is also requested. The annexing territory is located in the Town of Portola Valley at 40 Minoca Road near Golden Oak Drive. Commission approval is recommended.

### Departmental Reports

*County Assessor:* The net assessed land valuation shown in the records of the County Assessor is \$572,566. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

*County Clerk:* The territory has two registered voters. Annexation would not conflict with any political subdivision boundaries.

*Public Works:* The map and legal description required by the State Board of Equalization have not yet been submitted.

*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 obtain a permit for septic tank abandonment, which shall be inspected and approved by Environmental Health.

*Town of Portola Valley:* The Town's general plan designation is low-intensity residential (one to two acres per dwelling unit) and zoning is residential estate, single-family. An encroachment permit to be reviewed and issued by the Town Engineer will be necessary.

*West Bay Sanitary District:* A District Class 3 permit (\$200 application fee and \$2,000 deposit for plan checking and inspections) and Class 1 permits (\$250 application fee and connection fees of \$7,336.20 per residential unit currently; annual sewer service charges will apply). Also, a reimbursement agreement for the gravity extension is estimated at \$108,000.

### Executive Officer's Recommendation

This proposal has been submitted by landowner petition in order to connect a proposed single-family residence to public sewer. The territory proposed for annexation is located in the Town of Portola Valley on Minoca Road near Golden Oak 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.

### California Environmental Quality Act

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) because it consists of an annexation for an exempt facility (up to three single-family residences).

### Waiver of Conducting Authority Proceedings

Section 56663(c) of the Cortese-Knox-Herzberg (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 proceeding is to measure landowner or voter protest within the affected territory. Paragraph (c) was added to Section 56663 to streamline proceedings in which landowners have already given consent to uninhabited annexation. The landowners have requested and staff recommends waiver of conducting authority proceedings.

### **Recommended Commission Action by Resolution**

Approve LAFCo File No. 14-12–Proposed Annexation of 40 Minoca Road (APN 079-103-010) to West Bay Sanitary District and Waive Conducting Authority Proceedings (1.58 acres), conditioned upon submittal State Board of Equalization map and legal description and payment of State Board of Equalization filing fees.

cc: Phil Scott, General Manager, West Bay Sanitary District  
Dale Leda, Principal Engineer, BKF Engineers (Property Owner Representative)

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 40 Minoca Road, Portola Valley (APN 079-103-010) to West Bay Sanitary District.**
3. The boundaries of the territory(ies) 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: **abandon existing inadequate septic system and connect newly constructed single family residence to public sewer main.**
7. The proposed annexation is requested to be made subject to the following terms and conditions: **None**
8. The persons signing this petition have signed as:  
  
\_\_\_ registered voters or X Owners of land (check one) within the subject territory.

**RECEIVED**

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RECEIVED

NOV 03 2014

APPLICATION FOR A CHANGE OF ORGANIZATION OR REORGANIZATION  
TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION

LAFCO

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization or reorganization.

Annexation of 40 Minoca Road, Portola Valley (APN 079-103-010) to the West Bay Sanitary District.

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 abandon the existing inadequate septic system and connect a newly constructed single-family home to gravity sewer main in the street.

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

Yes  No

5. Estimated acreage: 1.58 (Lot + Frontage ROW)

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

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

Residential Area No. 7 – Arrowhead Meadows, Alpine Hills, Hillbrook, Stonegate, Stonegate Meadows, Corte Madera Acres, Palmer Estates, Portola Terrace, Portola Heights and Pine Ridge Subdivisions  
Low Intensity Category (1-2 Acres/Housing Unit)

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

R-E/1A/SD-1A (Residential Estate / 1 ac/ Slope Density 1A)

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

None – We have applied for a building permit with the Town of Portola Valley for the new residence, which is pending approval.

8. What additional approvals will be required to proceed?

Approval of a Class 1A sewer permits with West Bay Sanitary District. Approval from San Mateo County Environmental Health will also be needed for abandonment of the existing septic system.

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?

A new single family residence may have been restricted by the existing septic system location, performance and/or sizing per SMCO Environmental Health requirements. Abandoning the existing septic system would reduce restrictions on the number of bedrooms allowable in a new residence.

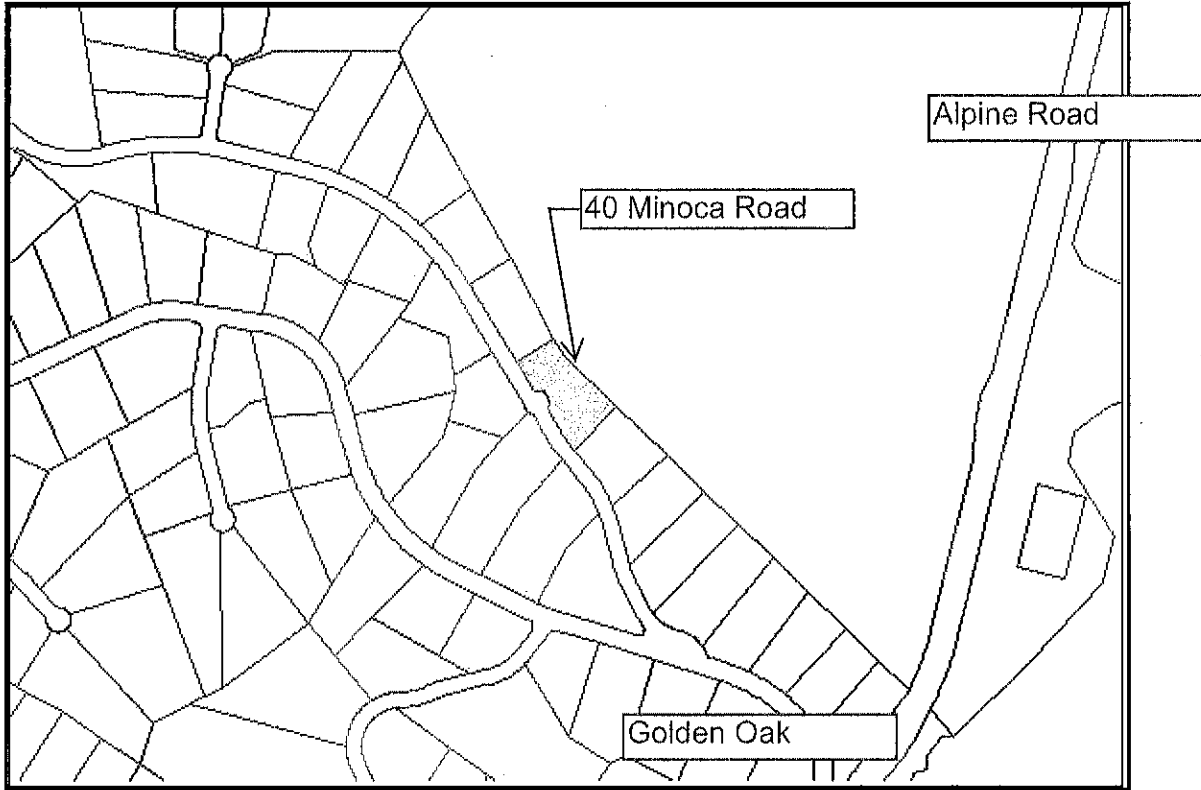
\* \* \* \* \*

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: DELLIE MAXWELL  
PATRICK HANRAHAN  
PORTOLA VALLEY  
ADDRESS: 40 MINOCA RD CA 94028 TELEPHONE: 650-529-1439  
ATTN: [Signature] [Signature]  
Signature of Proponent

**SELECTED  
PROPERTY**

**Situs:** 40 Minoca Rd , Portola Valley  
**Owner:** Hanrahan Patrick M Tr, 40 Minoca Rd, Portola Valley, CA, 94028-7739  
**APN:** 079103010



Date Created: Tuesday, November 4, 2014

Print

SAN MATEO

**LOCAL AGENCY FORMATION COMMISSION**

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

**January 14, 2015**

**To:** LAFCo Commissioners

**From:** Martha Poyatos, Executive Officer *M. Poyatos*

**Subject:** Consulting Contract for the Harbor District Municipal Service Review and Sphere of Influence Update

Recommendation

Adopt a Resolution Authorizing the Executive Officer to execute a contract with Economic & Planning Systems, Inc., to prepare the San Mateo County Harbor District Municipal Service Review and Sphere of Influence update for the term January 22, 2015 through May 28, 2015 in an amount not to exceed \$37,940.

Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that every five years, as necessary, LAFCo review and update the sphere of influence (SOI) of each local agency. In conjunction with the SOI update, LAFCo must prepare a municipal service review (MSR) to determine the range and adequacy of the governmental services provided.

As previously reported, the 2014-15 Civil Grand Jury recommended that the Commission initiate an MSR and SOI update on the San Mateo County Harbor District by December 31, 2014. At your November meeting, the Commission authorized release of a Request for Proposals (RFP) for a consultant-prepared report.

Recruitment Process

On December 4, 2014, LAFCo released an RFP and Scope of Services for the Harbor District MSR. The RFP was sent to 17 firms and posted on the San Mateo LAFCo website. Proposals were submitted by the three firms below (copies of the proposals are available upon request):

- Policy Consulting Associates, LLC
- Economic & Planning Systems, Inc.
- Harvey M. Rose Associates, LLC

The proposals vary in terms of approach, number of team members, and timelines with costs of \$11,599, \$37,940, and \$86,635, respectively.



Following telephone interviews, staff concluded that Economic & Planning Systems would be the best choice to prepare the MSR and SOI update. Follow-up reference calls were made that support this recommendation.

Economic & Planning Systems (EPS)

Richard Berkson, Principal, has over 30 years of experience working on a wide range of LAFCo-related projects that include fiscal analysis and MSRs. Mr. Berkson recently completed a special study of Saratoga Fire District for Santa Clara LAFCo and a governance study of the Mt. Diablo Health Care District for Contra Costa LAFCo.

Budget Impact

The not-to-exceed cost of \$37,940 is within budget resources and adequate funding is included in the Fiscal Year 2015-16 budget to cover costs associated with the MSR/SOI update. The attached resolution authorizes the Executive Officer to execute the contract and to modify the scope of the contract as necessary as long as the modifications do not increase the “not to exceed” amount of the contract.

**RESOLUTION NO. 1189**

**RESOLUTION OF THE  
SAN MATEO LOCAL AGENCY FORMATION COMMISSION  
AUTHORIZING AN AGREEMENT WITH  
ECONOMIC & PLANNING SYSTEMS, INC.,  
FOR PREPARATION OF THE  
SAN MATEO COUNTY HARBOR DISTRICT  
MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo (LAFCo), State of California, that:

WHEREAS, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (Act) provides that LAFCo shall periodically update spheres of influence of cities and special districts; and

WHEREAS, the Act further requires that in conjunction with sphere of influence updates, LAFCo shall prepare municipal service reviews pursuant to Government Code Section 56430; and

WHEREAS, LAFCo may contract for preparation of municipal service reviews and sphere of influence updates; and

WHEREAS, the Executive Officer issued a Request for Proposals, reviewed qualified bidders, and recommends entering into a contract with Economic & Planning Systems, Inc., in the amount of \$37,940 for the period January 22, 2015 through May 28, 2015 to prepare the San Mateo County Harbor District Municipal Service Review and Sphere of Influence Update as detailed in the Scope of Services contained in the attached draft agreement; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Commission hereby authorizes the Executive Officer to execute an agreement with Economic & Planning Systems, Inc., in an amount not to exceed \$37,940 for the period January 22, 2015 through May 28, 2015. The Commission further authorizes the Executive Officer to modify the scope of the contract as necessary as long as the modifications do not increase the “not to exceed” amount of the contract.

Regularly passed and adopted this 21st day of January, 2015.

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:

\_\_\_\_\_  
 Martha Poyatos  
 Executive Officer  
 Local Agency Formation Commission

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

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

\_\_\_\_\_  
 Jean Brook  
 Clerk to the Commission  
 Local Agency Formation Commission

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

**SAN MATEO LAFCO  
AGREEMENT WITH INDEPENDENT CONTRACTOR**

**Agreement No.** \_\_\_\_\_

**Contractor Name and Address (“Contractor”):**

**Contractor:** Upon completion of work or agreed-upon work periods, mail invoice with above Agreement Number to:

Economic & Planning Systems, Inc.

Department: San Mateo LAFCO

One Kaiser Plaza, Suite 1410

Attention: Martha Poyatos

Oakland, CA 94612

Address: 455 County Center, 2<sup>nd</sup> Floor

Attention: Richard Berkson, Principal

City, State, Zip: Redwood City, CA 94063

It is agreed between San Mateo Local Agency Formation Commission (LAFCo), and Contractor as follows:

1. **Services to be performed by Contractor.** In consideration of the payments hereinafter set forth, Contractor shall perform services for LAFCo in accordance with the terms, conditions, and specifications set forth herein and in Exhibit A attached hereto for LAFCo.
2. **Contract Term.** The term of this Agreement shall be from January 22, 2015, to May 28, 2015, unless terminated earlier by LAFCo.
3. **Payments.** In consideration of the services rendered in accordance with all terms, conditions, and specifications set forth herein and any Exhibit(s) or attachment(s) attached hereto, LAFCo shall make payment to Contractor in the manner specified herein and in Exhibit A. In the event that LAFCo makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by LAFCo at the time of contract termination. LAFCo reserves the right to withhold payment if LAFCo determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this Agreement exceed thirty seven thousand nine hundred forty dollars (\$37,940).
4. **Relationship of the Parties.** Contractor agrees and understands that the work/services performed under this Agreement are performed as an Independent Contractor and not as an employee of LAFCo and that neither Contractor nor its employees/agents acquires any of the rights, privileges, powers, or advantages of LAFCo employees.
5. **Workers’ Compensation Insurance.** Contractor shall have in effect during the entire term of this Agreement workers’ compensation and employer liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, (a) that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) that it will comply with such provisions before commencing the performance of work under this Agreement.
6. **Other Insurance.** Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor’s operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or by an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amount(s) specified below:
  - Comprehensive General Liability .... \$1,000,000 (applies to all agreements)
  - Motor Vehicle Liability Insurance .... \$1,000,000 (to be checked if motor vehicle used in performing services)
  - Professional Liability ..... \$1,000,000 (to be checked if Contractor is a licensed professional)
7. **Hold Harmless.** Contractor agrees to indemnify and defend LAFCo and its employees and agents from any and all claims, damages, and liability in any way occasioned by or arising out of the negligence of Contractor and/or its employees/officers/agents in the performance of this Agreement, including any sanctions, penalties, or claims of damages resulting from Contractor’s failure to comply with any law, regulation, or ordinance, including but not limited to those listed in this Agreement.
8. **Confidentiality.** All data produced or compiled by Contractor shall be considered confidential unless it can be obtained as public record and shall not be shared with a third party without the prior written consent of LAFCo. All financial, statistical, personal, technical, and other data and information relating to LAFCo’s operations which is made available to Contractor in order to carry out this Agreement shall be presumed to be confidential. Contractor shall protect said data and information from unauthorized use and disclosure by the observance of the same or more effective procedures as LAFCo requires of its

own personnel. Contractor shall not, however, be required by this Section to keep confidential any data or information which is or becomes publicly available, is already rightfully in Contractor's possession, is independently developed by Contractor outside the scope of the Agreement, or is rightfully obtained from third parties. The requirements of this Section shall survive termination of this Agreement.

9. **Non-Assignability.** Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of LAFCo, and any attempted assignment without such prior written consent in violation of this Section shall automatically give LAFCo the option to terminate this Agreement without notice.
10. **Termination of Agreement.** LAFCo Purchasing Agent may, at any time after execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of LAFCo by giving written notice specifying the effective date and scope of such termination. Termination shall be effective on a date not less than thirty (30) days from said notice. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials prepared by Contractor under this Agreement shall become the property of LAFCo and shall be promptly delivered to LAFCo. In the event of termination, Contractor shall be paid for all work satisfactorily performed through the date of termination except where the contracting department determines the quality or quantity of the work performed is unacceptable. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement. LAFCo may immediately terminate this Agreement based upon unavailability of Federal, State, or County funds by providing written notice to Contractor as soon as is reasonably possible after LAFCo learns of said unavailability of funding.
11. **Payment of Permits/Licenses.** Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.
12. **Non-Discrimination.** No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information. Contractor shall ensure full compliance with federal, state, and local laws, directives, and executive orders regarding non-discrimination for all employees and Subcontractors under this Agreement. Contractor shall comply fully with the non-discrimination requirements of 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the LAFCo Executive Officer, including but not limited to: i) termination of this Agreement; ii) disqualification of Contractor from bidding on or being awarded a LAFCo contract for a period of up to 3 years; iii) liquidated damages of \$2,500 per violation; and/or iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the LAFCo Executive Officer.

To effectuate the provisions of this Section, the LAFCo Executive Officer shall have the authority to examine Contractor's employment records with respect to compliance with this Section and/or set off all or any portion of the amount described in this Section against amounts due to Contractor under the Agreement or any other contract with LAFCo.

Contractor shall report to the LAFCo Executive Officer the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide LAFCo with a copy of its response to the Complaint when filed.

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this contract. This paragraph applies only to contractors who are providing services to members of the public under this Agreement.

13. **Equal Benefits.** With respect to the provision of benefits to its employees, Contractor shall comply with Chapter 2.84 of the County Ordinance Code, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse. In order to meet the requirements of Chapter 2.84, Contractor must certify which of the following statements is/are accurate:
  - Contractor complies with Chapter 2.84 by:
    - offering the same benefits to its employees with spouses and its employees with domestic partners.
    - offering, in the case where the same benefits are not offered to its employees with spouses and its employees with domestic partners, a cash payment to an employee with a domestic partner that is equal to Contractor's cost of providing the benefit to an employee with a spouse.

- Contractor is exempt from having to comply with Chapter 2.84 because it has no employees or does not provide benefits to employees' spouses.
- Contractor does not comply with Chapter 2.84, and a waiver must be sought.

14. **History of Discrimination.** Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

- No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.
- Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Contractor shall provide LAFCo with a written explanation of the outcome(s) or remedy for the discrimination.

15. **Retention of Records.** Contractor shall maintain all records related to this Agreement for no fewer than three years after LAFCo makes final payment or after termination of this Agreement and all other pending matters are closed. All records shall be subject to the examination and/or audit by agents of LAFCo, the State of California, other regulatory agencies, and/or Federal grantor agencies.

16. **Health Insurance Portability and Accountability Act of 1996 (HIPAA).** One of the following responses must be selected by the Department. Is the Contractor a Business Associate?  Yes  No  
 If "Yes" is checked, then the following requirements apply and Attachment H must be included: Contractor shall perform all services in accordance with HIPAA and the Federal regulations promulgated thereunder, as amended, and will comply with the Business Associate requirements set forth in Attachment H.

17. **Compliance with State, Federal, and Local Laws, Regulations, and Ordinances.** Contractor and all subcontractors shall ensure compliance with all state, federal, and local laws, regulations, or rules applicable to performance of the work required under this Agreement and shall execute all necessary certifications of compliance therewith. Contractor certifies that the Contractor and all of its subcontractors will adhere to and certify compliance with all applicable provisions of San Mateo County Ordinance Code, including, without limitation, Chapter 4.106, which regulates the use of disposable food service ware, and Chapter 2.84, which addresses equal benefits.

18. **Merger Clause.** This Agreement, including all exhibits/attachments attached hereto, which are incorporated herein by this reference, constitutes the sole agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by LAFCo Purchasing Agent. In the event that any term, condition, provision, requirement or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this Agreement, the provisions of the body of this Agreement shall prevail. This Agreement constitutes the entire Agreement between LAFCo and Contractor. Further, liability referenced to in Section 6 is limited to Contractor's negligence during Contractor's performance under this Agreement.

19. **Governing Law.** This Agreement, including any exhibits, and any disputes arising out of this Agreement shall for all purposes be deemed subject to the laws of the State of California without regard to its choice of law rules, and any lawsuit concerning or arising out of this Agreement shall be venued in the County of San Mateo.

20. **Jury Duty Requirements.** Contractor agrees that if this Agreement is amended to a total value exceeding one hundred thousand dollars (\$100,000.00), Contractor shall comply with Chapter 2.85 of the County's Ordinance Code.

21. **Electronic Signature.** If both LAFCo and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and LAFCo's Electronic Signature Administrative Memo, both boxes below must be checked. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing written notice to the other party.

For LAFCo:  If this box is checked by LAFCo, LAFCo consents to the use of electronic signatures in relation to this Agreement.

For Contractor:  If this box is checked by Contractor, Contractor consents to the use of electronic signatures in relation to this Agreement.

THIS CONTRACT IS NOT VALID UNTIL SIGNED BY ALL PARTIES.

– Signatures Follow on Next Page –

For Contractor:

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Name (please print)

For LAFCo:

I hereby certify that the services requested are necessary, that the selection process documentation is accurate, that all insurance certificates including Workers' Compensation are on file in this office, that County of San Mateo Risk Management has approved any reductions in Contractor's insurance limits below \$1,000,000, and that no work will commence until this document is signed by LAFCo Purchasing Agent.

\_\_\_\_\_  
Contract Requestor Signature  
LAFCo

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contract Requestor Name (please print)  
LAFCo

\_\_\_\_\_  
Contract Requestor Title (please print)

\_\_\_\_\_  
Purchasing Agent Signature  
(Executive Officer or Designee)  
LAFCo

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchasing Agent Name (please print)  
(Executive Officer or Designee)  
LAFCo

\_\_\_\_\_  
Purchasing Agent Title (please print)

\_\_\_\_\_  
Budget Unit

Distribution: 1 copy to each: Purchasing Agent, Controller, and Contractor

(Revised 7/26/13)

Exhibit A

**Agreement between San Mateo LAFCo and Economic & Planning Systems, Inc.**

**1. Description of Services to be Performed by Contractor**

In consideration of the payments set forth in Section 2, **Amount and Method of Payment**, Contractor shall provide the following services:

**2. *PROJECT SCHEDULE***

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EPS will meet with LAFCo staff and discuss schedule during the first project initiation meeting. Key milestones and meeting dates will be delineated. Generally, it is anticipated that the schedule will adhere to the following pattern:

**Project Initiation Meeting:** Within one to two weeks following contract authorization.

**Task 1: Initial Data Collection:** To begin immediately upon contract authorization. Total elapsed time is anticipated to be 3 to 6 weeks, depending on the ability to obtain data in a timely manner from LAFCo, the District, and other entities (e.g., the County).

**Task 2: Supplemental Information Collection and Verification:** This task will begin within approximately two weeks of contract authorization, and following initial review of data. Total elapsed time anticipated is to be three to six weeks. As noted above, the actual time required will depend on the extent and depth of supplemental information required, ability to schedule meetings with the District, and response time from various entities.

**Task 3: Working Draft Service Review:** This task will begin immediately following the project initiation meeting. An outline for the Service Review will be developed for comment by LAFCo staff, and to guide the data collection and analysis. The outline will also indicate issues that may require comment by LAFCo's legal counsel. It is expected that completion of the Working Draft Service Review will require approximately four weeks following receipt of **Task 2** Supplemental Information Collection and Verification, or about 9 to 12 weeks following contract authorization.

**Task 4: Final Draft Service Review:** The timing of the Final Draft will depend on the time required to receive review and comment on the Working Draft; however, assuming that two weeks is allowed for review and comment on the Working Draft, it is likely that a Final Draft Service Review can be completed within an additional two weeks following receipt of comments. Assuming the prior timelines described, completion of the Final Draft would occur within 11 to 14 weeks of contract authorization.

**Task 5: Final Service Review Report:** A final report will be prepared within two weeks following the LAFCo hearing, depending on the extent and nature of required research and revision. Total elapsed time depends on the timing of the LAFCo hearing on the Final Draft.

As noted above, the schedule will be refined at the initial meeting with LAFCo staff, and modified as necessary during the course of the Study.



**2. Amount and Method of Payment**

In consideration of the services provided by Contractor pursuant to Section 1, **Description of Services to be Performed by Contractor**, and subject to the terms of the Agreement, LAFCo shall pay Contractor based on the following schedule and terms:

**8. PROJECT COST**

**Table 1** includes an estimate of total project cost, and costs by task broken down according to "Fiscal Analysis" and "Management and Governance". The budget allocations are estimates, as much of the research and analysis are applicable to both topic areas.

The total cost is proposed to not exceed **\$37,940** including direct costs.

**Table 1**  
**EPS Proposed Budget Estimate**  
**San Mateo Harbor District MSR and SOI Update**

Task	R. Berkson Principal	Research Analyst	Production Staff	Staff Subtotal	Staff Costs Subtotal	Direct Costs [1]	Total
<b>Task 1: Initial Data Collection</b>							
Fiscal Analysis	10	16	2	28	\$4,590	\$0	\$4,590
Management and Governance	8	8	2	18	\$3,130	\$0	\$3,130
Subtotal, Task 1	18	24	4	46	\$7,720	\$0	\$7,720
<b>Task 2: Supplemental Information Collection and Verification</b>							
Fiscal Analysis	16	16	2	34	\$6,090	\$0	\$6,090
Management and Governance	12	16	2	30	\$5,090	\$0	\$5,090
Subtotal, Task 2	28	32	4	64	\$11,180	\$0	\$11,180
<b>Task 3: Working Draft Service Review</b>							
Fiscal Analysis	16	24	2	42	\$7,050	\$50	\$7,100
Management and Governance	12	12	2	26	\$4,610	\$50	\$4,660
Subtotal, Task 3	28	36	4	68	\$11,660	\$100	\$11,760
<b>Task 4: Final Draft Service Review</b>							
Fiscal Analysis	4	6	2	12	\$1,890	\$50	\$1,940
Management and Governance	4	6	2	12	\$1,890	\$50	\$1,940
Subtotal, Task 4	8	12	4	24	\$3,780	\$100	\$3,880
<b>Task 5: Final Service Review Report</b>							
Fiscal Analysis	4	4	2	10	\$1,650	\$50	\$1,700
Management and Governance	4	4	2	10	\$1,650	\$50	\$1,700
Subtotal, Task 2	8	8	4	20	\$3,300	\$100	\$3,400
<b>Total Hours and Costs [2]</b>	<b>90</b>	<b>112</b>	<b>20</b>	<b>222</b>	<b>\$37,640</b>	<b>\$300</b>	<b>\$37,940</b>
	<b>\$22,500</b>	<b>\$13,440</b>	<b>\$1,700</b>	<b>\$37,640</b>			
Billing Rates	\$250	\$120	\$85				

[1] Direct costs include data purchases and up to 10 copies each of draft and final reports.

[2] Additional in-person meetings, beyond those identified in the scope of work, to be billed on a "time & materials" basis. Budget allocations are estimates only; actual allocations will vary.

SAN MATEO

**LOCAL AGENCY FORMATION COMMISSION**

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

January 20, 2015

**To:** LAFCo Commissioners**From:** Martha Poyatos, Executive Officer

A handwritten signature in black ink, appearing to read 'M. Poyatos', written over the printed name.

**Subject:** Supplemental Report-Consulting Contract for the Harbor District Municipal Service Review and Sphere of Influence UpdateBackground

Since the agenda packet was distributed the Commission has received numerous requests to delay the municipal service review for the Harbor District. The attached e-mails include a draft letter from the Harbor District that will be considered at their meeting to be held on January 21, 2015 at 6:30 p.m.

The draft letter and e-mails request the delay based on the changes in Harbor District board composition after the November 2014 election and actions the Board has taken since the election. Other comments included a request to delay the MSR/SOI report to allow the board to make changes recommended in the Grand Jury Report.

As the Commission recalls, the 2013-14 Civil Grand Jury made recommendations directed at the Harbor District, LAFCo and the Board of Supervisors. The recommendations directed to the Harbor District addressed finance, dependence on property tax revenue and clarity between enterprise and non-enterprise services, real property management and formation of standing committees. Staff notes that these areas of concern, in particular finance are addressed in the areas of determination included in a municipal service review. The Grand Jury also recommended that LAFCo initiate a municipal service review and sphere update by December 31, 2014. This was based on concerns identified in the Grand Jury report and the fact that LAFCo is overdue in preparing a second round MSR/SOI update since the 2006 report. In addition, the Grand Jury recommended that the County Board of Supervisors initiate an application to dissolve the District, also by December 31, 2014. The Board of Supervisors responded that the recommendation would need further analysis once the Local Agency Formation Commission has completed the municipal service review, which is a necessary precursor to the process of dissolution.

Discussion

Municipal service reviews and sphere of influence updates are required by the Cortese Knox Hertzberg Act to be prepared for each city and special district in the County on a five year cycle. The Harbor District was last studied in 2006 and was more recently the subject of a 2013-14 Civil Grand Jury report that recommended among other actions, that LAFCo initiate a municipal service review and sphere update. The areas of determination required by Government Code Section 56430 cover topics such as financial condition, accountability, management efficiencies and opportunities for resource sharing, all of which are important to the Harbor District as it moves forward after changes in the Board membership and recruiting a new General Manager. Delaying the MSR would put LAFCo further behind in complying with the mandate to complete MSRs and equally important, have the effect of withholding valuable information from the Board and the public on assessment of fiscal condition and administrative and operational efficiencies of the Harbor District at a time when the Board will be making important decisions on the future of the District.

Recommendation

Adopt a Resolution Authorizing the Executive Officer to execute a contract with Economic & Planning Systems, Inc., to prepare the San Mateo County Harbor District Municipal Service Review and Sphere of Influence update for the term January 22, 2015 through May 28, 2015 in an amount not to exceed \$37,940.

**From:** Sabrina Brennan <sabrina@dfm.com>  
**To:** Martha Poyatos <mpoyatos@co.sanmateo.ca.us>  
**CC:** "Scott A. Grindy" <sgrindy@smharbor.com>  
**Date:** 1/16/2015 11:17 AM  
**Subject:** LAFCo meeting — Jan. 21, 2015 — Item 4  
**Attachments:** 01212015\_SSF.pdf; SMCHD LAFCo Letter DRAFT.pdf

Hello Martha,

I left you a v/m yesterday regarding Item 4 on the Jan. 21, 2015 LAFCo agenda.

Please note Item 18 on the attached Jan. 21, 2015 SMCHD meeting agenda. Please also see the attached DRAFT SMCHD letter regarding the SMCHD MSR.

I plan to attend the Jan. 21st LAFCo meeting. Please let me know if you are available to meet in advance of Jan. 21st.

Thank you,  
Sabrina Brennan  
cell 415-816-6111

## DRAFT

Friday, January 16, 2015

Linda Craig and Commissioners  
San Mateo LAFCo  
455 County Center  
2nd Floor  
Redwood City, California 94063

Re: San Mateo County Harbor District Municipal Service Review

Dear Chair Craig and Commissioners,

The San Mateo County Harbor District has experienced many changes over the past five months. The new board majority is aggressively taking action to fix the problems documented by the Civil Grand Jury.

Recent changes include:

### **September 4, 2014**

- General Manager Peter Grenell notified the board that he would retire on December 30, 2014.

### **November 4, 2014**

- Two new Harbor Commissioners were elected in the countywide election for Harbor Commission replacing two incumbents.

### **January 5, 2015**

- Commissioner-Elect Nicole David, Commissioner-Elect Tom Mattusch, and Commissioner Robert Bernardo were sworn in by Acting General Manager Scott Grindy.

### **January 7, 2015**

- The board approved terminating membership in the California Maritime Infrastructure Bank/Authority.
- The board scheduled a February 11, 2015 Board Dynamics Workshop with Brent Ives/BHI Consulting.
- The board formed four standing and three ad-hoc committees. The standing committees include a Finance Committee. The ad-hoc committees include a Strategic Planning committee and an Executive Search committee.
- **The board approved an Executive Search proposal from Brent Ives/BHI Consulting to conduct a formal search for General Manager.**

- The board approved completing the Fishing Community Sustainability Plan, one component of the strategic business plan.
- The board placed an immediate hold on all other strategic business plan deliverables for six months or until a permanent General Manager is hired, board members have time to review draft deliverables, and the Strategic Planning Committee has an opportunity to meet with the consultant and make recommendations.

To-date draft strategic business plan documents include:

- Financial Conditions Assessment
  - Existing Infrastructure & Facilities Assessment
  - Fishing Community Sustainability Plan
- The board approved authorizing Acting General Manager Scott Grindy to work with a real estate agent on Coastside commercial property options in support of relocating the Harbor District headquarters in time to provide a Feb. 1, 2015 termination notice to current landlord.
  - **The board approved drafting an RFP for District Counsel Legal Services.**

The new board is committed to open government and committed to making changes recommended in the 2014 Civil Grand Jury report.

We respectfully request that LAFCo delay the MSR for at least six months or until a new General Manager is found, and give the new board time to fix problems.

Sincerely,

Sabrina Brennan, President  
San Mateo County Harbor District

# San Mateo County Harbor District Board of Harbor Commissioners Meeting Agenda

January 21, 2015  
6:30 p.m.

Municipal Services Building  
33 Arroyo Drive  
South San Francisco, Ca. 94080

All Harbor District Commission meetings are recorded and posted at [www.PacificCoast.tv](http://www.PacificCoast.tv) within 24-48 hours of the meeting. Pacifica residents can tune into Comcast Chanel 26 and residents from Montara through Pescadero can tune into Comcast Chanel 27. Copies of the meetings can also be purchased from PCT and mailed for \$18.

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

## Roll Call

### Commissioners

Sabrina Brennan, President  
Tom Mattusch, Vice President  
Nicole David, Secretary  
Robert Bernardo, Commissioner  
Pietro Parravano, Commissioner

### Staff

Scott A. Grindy, Acting General Manager  
Debra Galarza, Director of Finance  
Marietta Harris, Human Resource Manager  
Charles White, Acting Harbor Master - OPM  
John Draper, Acting Harbor Master - PPH  
Debbie Nixon, Deputy Secretary  
Steve Miller, District Counsel

## Public Comments/Questions –

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, Board of Harbor Commissioners that is not on the regular Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080 or online at [www.smharbor.com](http://www.smharbor.com).

Persons requiring special accommodation with respect to physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

# Staff Recognition-

## New Business

- 1     **TITLE:**                     **District Administration Office at Oyster Point Boulevard**  
      **REPORT:**                 **Grindy, Memo**  
      **PROPOSED ACTION:**     **Authorize the Acting General Manager to provide notice by**  
                                      **February 1, 2015 to Kashiwa Fudosan America, Inc.**

## Closed Session

- 2     **TITLE:**                     **Conference with Real Property Negotiators. California**  
                                      **Government Code Section 54956.8.**

**PROPERTY:**                 **504 Avenue Alhambra, El Granada, CA 94018**

**DISTRICT**  
      **NEGOTIATOR:**             **Scott Grindy and Randy Kinghorn**

**NEGOTIATING**  
      **PARTY:**                     **Working Dirt LLC, Billy Daniels**

**UNDER**  
      **NEGOTIATION:**           **Price and terms of payment**

- 3     **TITLE:**                     **Conference with Legal Counsel-Anticipated Litigation.**  
                                      **California Government Code Section 54956.9. One Case**

## Continued Business

- 4     **TITLE:**                     **Reorganization of Harbor Commission: Selection of**  
                                      **Treasurer**  
      **REPORT:**                 **Miller, Memo**  
      **PROPOSED ACTION:**     **Select Treasurer**





- 11 TITLE: **Possible Change in Location of Three Captains' Hoist at Pillar Point Harbor**  
REPORT: Grindy, Memo  
PROPOSED ACTION: To be determined
- 12 TITLE: **Suspension of Hiring Freeze to Fill Two (2) Deputy Harbormaster Positions**  
REPORT: Harris, Memo  
PROPOSED ACTION: Authorize the lift of the hiring freeze to hire Deputy Harbor Masters
- 13 TITLE: **Request for Proposals: District Counsel Legal Services**  
REPORT: Grindy, Memo, Attachments  
PROPOSED ACTION: Approve draft Request for Proposal and direct Acting General Manager to issue Request for Proposals (RFP)
- 14 TITLE: **Information Report: Amendments to District Policies**  
REPORT: Harris, Memo  
PROPOSED ACTION: Information only
- 15 TITLE: **Updated List of Signatures for US Bank**  
REPORT: Galarza, Memo, List of signatures  
PROPOSED ACTION: Update list of signatures for the San Mateo County Harbor District's signatures for US Bank
- 16 TITLE: **Information Report: San Mateo County Investment Pool**  
REPORT: Galarza, Memo  
PROPOSED ACTION: Information only
- 17 TITLE: **Information Report: Agenda Preparation and Packet Distribution**  
REPORT: Grindy, Memo  
PROPOSED ACTION: Information only
- 18 TITLE: **Authorize Sending of Letter to San Mateo County Local Agency Formation Commission (LAFCo) requesting delay in Municipal Service Review and Sphere of Influence Update**  
REPORT: Brennan, Draft letter  
PROPOSED ACTION: Authorize sending of letter to LAFCo

## **Staff Reports: a) Administration and Finance**

- 19     **Acting General Manager – Grindy**
- 20     **Director of Finance – Galarza**
- 21     **Human Resources Manager – Harris**

## **b) Operations**

- 22     **Oyster Point Marina/Park – White**
- 23     **Pillar Point Harbor – Draper**

## **Board of Harbor Commissioners**

- 24     A. Committee Reports
- B. Commissioner Statements and Requests
  - 1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.
  - 2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

## **Closed Session, Continued**

- 25     TITLE:                             **Public Employee Performance Evaluation, Acting General Manager, pursuant to Government Code §54957(b)**

# Adjournment

The next scheduled meeting will be held on February 4, 2015 at the Sea Crest School, Think Tank, Room #19, 901 Arnold Way, Half Moon Bay at 6:30 p.m.

Agenda Posted As Required:  
January 16th at 10:15 a.m.

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Debbie Nixon  
Deputy Secretary

## Martha Poyatos - Item 4: Consulting Contract for the Harbor District Municipal Service Review Update

---

**From:** bill kehoe <mccbillkehoe@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/18/2015 7:33 PM  
**Subject:** Item 4: Consulting Contract for the Harbor District Municipal Service Review Update  
**CC:** Don Horsley <dhorsley@smcgov.org>, Sabrina Brennan <sabrina@dfm.com>

---

Martha Poyatos, Executive Officer

San Mateo LAFCo

455 County Center

2nd Floor

Redwood City, California 94063

Re: Consulting Contract for the Harbor District Municipal Service Review and Sphere of Influence Update (Item 4)

Dear Executive Officer Poyatos,

Please pass my comments on to the LAFCo Commissioners regarding the San Mateo County Harbor District's Municipal Service Review and Sphere of Influence Update.

I am requesting that LAFCo delay this consulting contract for 6 months so that this newly reconstituted board has a chance to rectify some of the past grievances and start rebuilding the district. This would also have the benefit of giving the consulting team better insight on what the new Board can accomplish and would provide for a more accurate report with achievable goals for the District.

Another reason to support the delay is to respect the voters and taxpayers of San Mateo County, who elected this new board, a chance to see their electoral decisions play out in the District without outside influence.

As background, I have been following the Harbor District for many years and have often attended and made public comments on the need for a more open and transparent process by the District when conducting the public's business. A few years ago, I worked to get Commissioner Brennan and others elected in the hope the we would get a better, financially sound and professionally managed district. But, alas, that did not happen. Instead we got a

dysfunctional board that used bullying tactics to intimidate Ms. Brennan on many of the same issues that were mentioned in the Grand Jury Report. She suffered on, with the communities support, and we waited for the next election to give her new Commissioners who would support the actions and ideals that she and the Grand Jury identified as necessary to fix the Harbor District.

That election took place in November 2014 and the Grand Jury Report, financial irregularities and dysfunctional Board tactics were brought to the voters of San Mateo County. The result was the voters successfully elected Commissioners David & Mattusch who ran on a platform of cleaning up the harbors both environmentally and politically. They just took office this month (January 2015) and already have made some impressive changes to start undoing years of mismanagement. And I believe that they will continue to improve the district as they go forward.

--

**Thank you,**

**Bill Kehoe**  
**Moss Beach**  
**650-728-7255**

**From:** <deborah.ruddock@gmail.com>  
**To:** Martha Poyatos <mpoyatos@smcgov.org>  
**Date:** 1/19/2015 10:36 AM  
**Subject:** Re: SMCHD MSR

Thanks so much for the information!

Sent from my iPhone

> On Jan 19, 2015, at 10:16 AM, Martha Poyatos <mpoyatos@smcgov.org> wrote:

>

> Dear Council Member Ruddock:

>

> Thank you for your comments on the Proposed MSR and SOI update of the San Mateo County Harbor District. I will provide your comments to the Commission prior to the January 21 LAFCo hearing.

>

> In the meantime, please note that the Cortese Knox Hertzberg Act Local Government Reorganization Act, under which LAFCo operates mandates MSR's/SOI updates every five years. The First MSR/SOI update for the Harbor District was completed in 2006. Due to budget and staffing constraints San Mateo LAFCo is behind schedule in preparing the MSR/SOI updates on the five year schedule. Providing additional funds for a consultant prepared MSR/SOI report allows LAFCo to get back on schedule and prepare a report that is thorough and thoughtful. And also of chief importance, an MSR/SOI update is an informational report and is a valuable tool for citizens and the governing body and staff of agencies under study, in particular when there has been a transition in staffing and board composition. It is in essence a report that will assist the board in getting up to speed on District enabling legislation, fiscal condition and operations.

>

> Sincerely,

>

> Martha Poyatos, Executive Officer

> San Mateo LAFCo

> 455 County Center, 2nd Fl.

> Redwood City, CA 94063

> 650/363-4224

> 650/363-4849 (fax)

>

> >>> <deborah.ruddock@gmail.com> 1/17/2015 3:34 PM >>>

> Dear Ms. Poyatos:

>

> I think it makes good sense at this time to delay the Harbor District's Municipal Services Review to give the new board time to consider and address the items of concern in the Grand Jury Report. I know they are committed to open results-oriented governance and sound fiscal policy and just need a little time to get up to speed on district operations. Thanks for your consideration

>

> Sincerely, HMB Councilmember Deborah Ruddock speaking for herself only.

>

> Sent from my iPhone

**From:** "Penrose Deborah B." <dbpenrose7@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/17/2015 3:09 PM  
**Subject:** MSR

Dear Ms. Poyatos,

We have recently elected new Harbor Commission Board Members. They will do a splendid job in the new post and help to move our Harbor District ahead. This is a major transition and a much needed change for the Harbor District, however as with any large change, it will take some time for the new Board members to address the concerns in the Civil Grand Jury Report and recommend possible changes.

Please consider delaying the overdue SMCHD MSR so that it will be done in an appropriately careful and correct manner.

Sincerely, Deborah Penrose, City Council member in Half Moon Bay



## Martha Poyatos - The Municipal Service Review of the Harbor District

---

**From:** Pamela Fisher <pamelafisher@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/19/2015 11:10 PM  
**Subject:** The Municipal Service Review of the Harbor District  
**CC:** Sabrina Brennan <sabrina@dfm.com>

---

Honorable Commissioners  
LAFCo Executive Director Martha Poyatos  
Re: Timing of SMCHD MSR

I am a member of a recently formed citizen's watchdog group Advocates For Open Government (AFOG). Members of AFOG worked diligently to elect the new Harbor Commission Board members as a result of the numerous concerns expressed in the Civil Grand Jury Report. We are respectfully requesting that the Municipal Service Review for the Harbor District be delayed long enough to allow the new majority on the Harbor District Board the opportunity to properly correct previous improprieties and appropriately deal with the many concerns brought forth in the Civil Grand Jury Report.

The community is encouraged by the breadth of knowledge and integrity of our new members and Ms. Brennan who now form a majority who, we are certain, will address the Civil Grand Jury concerns, They just need a reasonable time period to get the job done. Please delay the MSR Hearing so they may do what we elected them to do and then provide them the feedback we are all anxious to review.

Respectfully,  
Pamela L. Fisher (AFOG)

Please consider delaying the overdue SMCHD MSR so that it will be done in an appropriately careful and correct manner.

--

Pamela Fisher  
659 Highland Avenue  
Half Moon Bay, CA 94019  
[pamelafisher@gmail.com](mailto:pamelafisher@gmail.com)  
(Home) 650-712-0370  
(Cell) 650 455-1194

## Martha Poyatos

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**From:** Jules Sofer <jjsofer@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/19/2015 3:28 AM

---

Dear Ms. Poyatos, I feel you should give the new Harbor Commisioners a chance to take corrective actions before you jump in. Jules Sofer

**Martha Poyatos - MSR review for Harbor Commission**

---

**From:** Bud Ratts <budratts@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/18/2015 10:33 PM  
**Subject:** MSR review for Harbor Commission  
**CC:** sabrina brennan <sabrina@dfm.com>

---

TO: Martha Poyatos  
FROM: Bud Ratts

Dear Ms Poyatos,

In mid 2013 I became an active participant in the activities of the Harbor Commission Board. As a resident of the San Mateo County coastside, I became very concerned about the status of the Harbor Commission after meeting one of the Board members. For the past 18 months I have attended numerous meetings and have been and strong advocate for change. Realizing that change was not possible with the then current Board composition, I devoted my efforts to finding new individuals to run for the open positions and supported their election. With the new board the Commission is now a very different organization.

I fully support the position taken by the Commission's new President, Sabrina Brennan as outlined in her letter to Linda Craig and Commissioners of the San Mateo County LAFCo.

I am very aware of the steps that need to be taken by the Commission, and will continue to actively participate in matters of governance, finance, and budgeting. The steps taken at the January 7th meeting are a very rapid changeover in the style of governing and will result in many needed changes in the coming months. The Harbor Commission will be a very different organization in 12 months.

I did not attend the January 7th meeting as I was in Southeast Asia, returning yesterday

Sincerely yours,

Bud Ratts  
Former Director of Management and Financial Planning  
Stanford University

49 Martins Beach Rd

Half Moon Bay, CA 94019  
650.492.5901

**From:** "Harvey Rarback" <harveyhmb@gmail.com>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/17/2015 3:19 PM  
**Subject:** The Municipal Service Review of the Harbor District

Ms. Poyatos,

I am a Director of the Coastside Fire Protection District but I am sending this email as a private citizen.

I urge LAFCo to delay the Municipal Service Review of the Harbor District in order to allow the new Harbor Commissioners time to fix the problems that the previous majority had created and to address the concerns of the CGJ Report.

I would be glad to answer any questions you might have.

Thank you.

--Harvey

---

Harvey Rarback  
464 Pine Avenue  
Half Moon Bay, CA 94019  
(650)560-9111 home  
(650)619-1399 cell

"Always tell the truth that way you don't have to keep track."

Pogo

## Martha Poyatos - LAFCo Mt.- Jan. 21, 2015 Harbor Dist. MSR

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**From:** Fran Pollard <LPFP@comcast.net>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/20/2015 1:44 PM  
**Subject:** LAFCo Mt.- Jan. 21, 2015 Harbor Dist. MSR

---

Jan. 19, 2015

Chair Linda Craig and Commissioners

Martha Poyatos, LAFCo Executive Officer

San Mateo LAFCo  
455 County Center  
2nd Floor, Redwood City, California 94063

Re: San Mateo County Harbor District Municipal Service Review

Dear Martha, Please replace my previous request with this to the Commission Packet

Honorable Commissioners and  
Martha Poyatos,

I'm requesting you delay the SMCo.Harbor District Municipal Service Review for at least 6 months to allow the new Harbor Commissioners to correct the wrongs created by the previous Commissioners and address the concerns included in the Civil Grand Jury Report.

We now have Harbor Commissioners who constantly use the Harbor and know and care deeply about what is important to a healthy and efficiently run Harbor. Since there was not an MSR done in recent years with the old Commission, can a few more months make that much difference?

I am proud to say that I campaigned to help elect the new Commissioners which are intelligent and thoughtful people who are already working to make the much needed improvements to the District.

Thank You for your consideration,

Fran Pollard, Very Active Citizen  
PO Box 832, El Granada, CA 94018  
[LPFP@comcast.net](mailto:LPFP@comcast.net)

**From:** Jule Lynch <madrejule@comcast.net>  
**To:** "mpoyatos@smcgov.org" <mpoyatos@smcgov.org>  
**Date:** 1/17/2015 6:49 PM

Our new members of the Harbor district need more time to study the problems brought up by the Civil Grand Jury. Please give them the needed extra time.

Jule

## Martha Poyatos - SMCHD MSR

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**From:** Leonard D Woren <ldw@ldworen.net>  
**To:** <mpoyatos@smcgov.org>  
**Date:** 1/19/2015 7:56 PM  
**Subject:** SMCHD MSR

---

Martha -- please distribute this to the Commissioners prior to Wednesday's meeting.  
Thanks.

To: Honorable Commissioners  
LAFCo Executive Director Martha Poyatos  
Re: Timing of SMCHD MSR

For many years I have been one of the most vocal critics of the San Mateo County Harbor District, and for a few years I have suggested that it be dissolved. However, the November 2014 election resulted in a sea change with a new board majority committed to righting the ship. In addition, the General Manager has retired, opening the door to reforming the District.

At their very first meeting, the new board majority did not waste any time in initiating a nationwide search for a new General Manager and issuing an RFP for new General Counsel, along with reviewing other District Policies. Since the new board majority has a good understanding of the District's problems and good new ideas on how to fix them, I feel that they need to be given time to accomplish reform of the District.

I understand that the SMCHD's periodic MSR is overdue, but I feel strongly that this is not the right time, since by the time the report is completed, enough will have changed to render it obsolete. A proper search for a highly qualified new GM could take 4-8 months, but I urge the Formation Commission to delay the MSR until a few months after the new GM is on-board. The MSR should be more than a check-list of problems that have been resolved by the time it's published, but that's what it will be if it's done now rather than waiting a relatively short time. Past SMCHD Commissioners have spent decades driving the District into the ground; it will take a year or more to dig out from that hole.

Since 1/3 of LAFCo's funding comes from special districts, as a special district board member in my 18th year in office, I feel that for the reasons stated above, doing the MSR now is not the best use of very limited LAFCo funds, some of which comes from my District. **The MSR will be much more useful if it's done a year from now.**

Thank you for your consideration.



/s/

Leonard Woren

Writing as an individual, not representing any position of the Granada Community  
Services District Board



January 19, 2015

TO: Linda Craig- Chair of San Mateo Local Agency Formation Commission

From: Half Moon Bay Seafood Marketing Association

Regarding: San Mateo County Harbor District

The Half Moon Bay Seafood Marketing Association is a collective of commercial fishermen in Half Moon Bay, California. Our fully inclusive organization represents commercial fishing producers of all gear types, all local target species and all sizes of fishing businesses working out of Pillar Point Harbor.

In the past, our membership has expressed concerns regarding the San Mateo County Harbor district, many of which were echoed in the 2013-2014 San Mateo Civil Grand Jury Report. We appreciate the LAFCo response to the Grand Jury report and support a service review by LAFCo in the future.

However, this is a time of great transition at the SMCHD. New harbor commissioners have just taken office and the process for hiring a new General Manager is now beginning. HMBSMA is very optimistic that the newly elected Harbor Commissioners will actively address the concerns raised in the Grand Jury Report. We were very encouraged by recent actions to create committees, and improve policies and procedures in just one meeting since being elected.

HMBSMA would like to support these efforts. Therefore, the commercial fishing community working out of Pillar Point Harbor would like to respectfully request that LAFCo delay a service review until the Harbor Commission has had a reasonable amount of time to hire a new General Manager and work to improve Harbor Management.

Sincerely,

Lisa Damrosch- Executive Director- Half Moon Bay Seafood Marketing Association

Half Moon Bay Seafood Marketing Association-PO Box 872 Half Moon Bay, CA 94019  
[hmsmaboard@gmail.com](mailto:hmsmaboard@gmail.com) [www.halfmoonbayseafood.org](http://www.halfmoonbayseafood.org) (650) 255-2063

## Martha Poyatos - SMCHD - Grand Jury Report

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**From:** Mary Larenas <mdlarenas@gmail.com>  
**To:** <mpoyatos@smcgov.org>, Don Horsley <DHorsley@smcgov.org>, Nicholas Calde...  
**Date:** 1/20/2015 10:55 AM  
**Subject:** SMCHD - Grand Jury Report

---

Dear Ms. Poyatos and Sup. Don Horsley,

I am asking that you please allow the newly elected members of the SMCHD sufficient time to address the concerns that were raised during the Grand Jury Report of 2014. The election has changed the Board dynamics, resulting in Board members who take the Grand Jury Report seriously. I am sure that you are both aware that some of the former members dismissed the Report stating it was incompetent and flawed.

The recent election of two new Board members Nicole David and Tom Mattusch along with the new President Sabrina Brennen, have given the district a majority to act in favor of the public's needs. This was a key issue during the campaign and I am requesting that LAFCo please listen to the voters and give the new Board a chance to correct many of the errors created by the previous members of the Board.

Thank you both for working so diligently to ensure healthy, safe, financially sound, and productive San Mateo County Harbors.

Respectfully submitted,

Mary Larenas  
301 Nevada Ave.  
Moss Beach, CA 94038

650-728-5067

SAN MATEO

**LOCAL AGENCY FORMATION COMMISSION**

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

**January 14, 2015****To:** LAFCo Commissioners**From:** Martha Poyatos, Executive Officer

A handwritten signature in black ink, appearing to read 'M. Poyatos', written over the printed name of the Executive Officer.

**Subject:** Applications Received and Not Certified as Complete and Ready for Hearing –  
LAFCo File No. 14-14–Annexation of APN 079-103-010 on Vista Verde Way to  
West Bay Sanitary District (Information Only)

Government Code Section 56857, regarding applications for annexation to a District if the application is not initiated by the District, stipulates that the Executive Officer shall place the proposal on an agenda for information purposes only and shall transmit a copy of the proposal to any District to which annexation is proposed. This section sets forth that if within 60 days from the LAFCo hearing a subject District submits a resolution opposing the annexation based on either fiscal or service capacity concerns, LAFCo must terminate the application.

Section 56857 is a provision that addresses cases where an applicant applies directly to LAFCo without having consulted with the District. It should be noted that the bulk of District annexations processed by San Mateo LAFCo are to the West Bay Sanitary District (WBSD). Property owners wishing to annex to the District first contact WBSD and WBSD refers applicants to LAFCo. When LAFCo receives a new application, the application is then referred to WBSD for comment. In situations where San Mateo LAFCo receives inquiries about annexation to a district where the property has not been in contact with the District, staff determines whether the property is eligible for annexation and if so, refers the property owner to the subject District to assure the District is consulted prior to a LAFCo application.

In regard to this specific application, annexation requires environmental review prior to certifying that the application is complete. It is estimated that the environmental review will take two months.

## CALAFCO Daily Legislative Report as of Wednesday, January 14, 2015

### 1

**[SB 25](#) (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.**

**Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Status:** 12/2/2014-From printer. May be acted upon on or after January 1.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Subject:** Financial Viability of Agencies

**CALAFCO Comments:** Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

### 2

**[AB 3](#) (Williams D) Isla Vista Community Services District.**

**Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Status:** 12/2/2014-From printer. May be heard in committee January 1.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would express the intent of the Legislature to clarify and establish the necessary authority for the creation of the Isla Vista Community Services District within the unincorporated area of Santa Barbara County, and would make legislative findings and declarations relating to that intent.

**Attachments:**

[CALAFCO Letter of Concern Dec 2014](#)

**Position:** Watch

**Subject:** LAFCo Administration, Special District Powers

**CALAFCO Comments:** As introduced, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). This authority would completely bypass the LAFCo process in the creation of this special district. CALAFCO issued a letter of concern on the intent language on December 20, 2014.

### 3

**SB 13 (Pavley D) Groundwater.**

**Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Status:** 12/2/2014-From printer. May be acted upon on or after January 1.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the State Water Resources Control Board to designate a groundwater basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

**Position:** None at this time

**Subject:** Water

**CALAFCO Comments:** While this bill has no direct affect on LAFcos, groundwater management is of interest, therefore CALAFCO will watch the bill.

**SB 20 (Pavley D) Wells: reports: public availability.**

**Current Text:** Introduced: 12/1/2014 [pdf](#) [html](#)

**Introduced:** 12/1/2014

**Status:** 12/2/2014-From printer. May be acted upon on or after January 1.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or reeperforates a well, to file a report of completion with the Department of Water Resources. Current law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public.

**Position:** None at this time

**Subject:** Water

**CALAFCO Comments:** While this bill has no direct affect on LAFcos, groundwater management and land use rights are of interest, therefore CALAFCO will watch the bill.

Total Measures: 4

Total Tracking Forms: 4

1/14/2015 11:55:22 AM

555 County Center, 4<sup>th</sup> Floor  
Redwood City, California 94063-1665

Telephone: (650) 363-4777  
Email: Controller@smcgov.org  
www.co.smcgov.org/controller



**County of San Mateo**  
Office of the Controller

**Bob Adler**  
Controller

Juan Ralgoza  
Assistant Controller

Shirley Tourel  
Deputy Controller

January 2, 2015

San Mateo County Mosquito and Vector Control District  
Donna Rutherford, President of the Board of Trustees  
1351 Rollins Road  
Burlingame, California 94010

Dear Ms. Rutherford,

We have reviewed the matters raised in your letter dated October 28, 2014 (received on November 24, 2014) addressed to the San Mateo County Controller's Office ("Controller"). For reference, your letter, along with R.J. Riccardi Inc.'s ("RJR") agreed-upon procedures report, are attached as Attachment E. Please find attached (Attachments A through D) our detailed responses and supporting documentation addressing each of the issues raised in your letter and RJR's report. These responses were prepared after review of our office's procedures, discussion with the San Mateo County Treasurer, and conversations with the San Mateo County Mosquito & Vector Control District's ("District") fiscal staff.

As the attachments demonstrate in more detail, the issues raised in your letter and the RJR report appear to be based on a misunderstanding of both the function of the County in the District's financial matters and the monthly statements provided by the County to the District. The District is an independent special district in the County of San Mateo ("County"), and the County accordingly plays a limited role in the District's financial transactions. Specifically, the County holds and maintains the District's cash (which earns interest) in accordance with California Health and Safety Code Sections 2076-2077. Pursuant to Section 2076, the District is solely responsible for allowing, issuing, and auditing all payments of the District; neither the County generally nor the Controller specifically plays any role in the approval of payments. At the end of each month, the District sends the Controller the District's check register for that month, and the Controller records the activity into the County's accounting system.

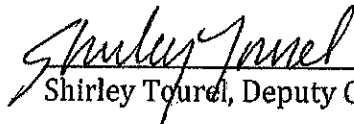
It is the responsibility of the District to maintain its own accounting system, to record and maintain all detailed records of transactions it creates and approves (e.g. checks, electronic fund transfers, payroll activity, deposits made, and invoices issued), and to maintain a system of internal controls related to those activities. Any detailed reports of the District's financial activities should be obtained from the District's own accounting system, as the

County has no information regarding those activities other than what the District provides in its check register.

In this instance, neither District staff nor the RJR auditors contacted our office prior to the issuance of RJR's agreed-upon procedures report in order to gather more information or address any questions they had regarding the financial information provided/available to the District by the County. Had they done so we would have provided an explanation of the County's statements that would have addressed the RJR auditor's concerns and clarified the role of the County in the District's financial transactions.

In the future I encourage and welcome you and your auditors to contact the Controller's Office with any questions you may have regarding the County's statements or role in the District's financial matters. Our office can be reached at (650) 363 4777. Thank you.

Sincerely,

  
Shirley Tourel, Deputy Controller

Cc:

Rosendo Rodriguez, Interim District Manager  
John Beiers, County Counsel  
John L. Maltbie, County Manager  
San Mateo County LAFCo  
San Mateo County Board of Supervisors



## **Attachment A: Response to RJR's Observations and Recommendations**

R.J. Riccardi Inc.'s ("RJR") agreed upon procedures report on the San Mateo County Mosquito and Vector Control District ("District") makes several observations and recommendations on the "County Reporting of ACH/EFT Transactions." The San Mateo County Controller's Office's ("Controller") responses to each of the items are provided below. In order to further illustrate our responses, Attachments B through D provide an example from September 2014 of the typical monthly exchange of documentation between the District and the Controller.

**RJR Observation - ACH/EFT transactions are not transparent on the "County Treasury GL Account #1010"<sup>1</sup>. The County Treasury General Ledger report provided by the County lumps together many transactions including checks paid and electronic transactions.**

This observation incorrectly describes the statements provided by the County to the District and reflects a misreading of those statements. All ACH/EFT transactions are initiated, created, and approved by the District. Every month, the District sends the Controller its check register, which lists the checks paid and ACH/EFT disbursements for the month. Based on the District's check register, the Controller records the disbursement activities into the County's accounting system. The Controller records one transaction for all the checks issued and one transaction for each ACH/EFT item provided in the District's check register.

The Controller provides the District with the Detailed Trial Balance report from the County's accounting system every month. As the Detailed Trial Balance Report for the month of September 2014 (Attachment C) demonstrates, contrary to RJR's observation, checks and electronic transactions are not lumped together; they are recorded separately. Thus, each ACH/EFT transaction recorded in the District's check register (Attachment B page 2) can be traced directly to the September 2014 Detailed Trial Balance report by reviewing all transactions with JE369221 in the Primary Reference field. The ACH/EFT transactions provided in the District's check register can also be traced to the September 2014 Bank Statement, to which the District's finance team has access (see Attachment D pages 2-3).

**RJR Observation - There is a separate bank statement that reports some of these transactions but it is unclear if all electronic transfers are reported on the bank statement.**

This observation does not involve the Controller's responsibilities in connection with the District's financial transactions. If the District performs monthly reconciliations between

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<sup>1</sup> The District's interim finance director indicated, the "County Treasurer GL Account #1010" report that is being referenced in RJR's report is the County's "Detailed Trial Balance".

the bank statement provided by Union Bank, the District's general ledger, and other source documents, all unrecorded items on the bank statement should be identified and be explained (i.e. timing differences). If any differences cannot be explained for a given month, it is the District's responsibility to further investigate and account for the differences.

**RJR Recommendation - The District should request and obtain from the County a report of all ACH/EFT payments made each month.**

This recommendation inaccurately suggests that the County is the primary repository of the District's ACH/EFT payment data. All ACH/EFT payments are, by statute, initiated, audited, and approved by the District and therefore, the information referenced in this recommendation in fact resides first and foremost with the District. The County plays no role in approving or facilitating the District's ACH/EFT payments. After the ACH/EFT transactions occur, they are recorded in the District's check register, and then provided to the Controller by the District. The Controller then records information from the District's check register into the County's accounting system. As indicated above, the Controller provides the District with a Detailed Trial Balance report every month showing all ACH/EFT payments that have been recorded in the County's accounting system. See Attachment C.

**RJR Recommendation - The District should confirm with the County that the vendor's names are accurate. The report should be approved by the General Manager.**

This recommendation appears to be based on an erroneous belief that the County independently possesses identifying information regarding, or is somehow responsible for, the District's vendors. The District is statutorily responsible for creating, approving, and auditing check and ACH/EFT payments to its vendors. The Controller does not have any information regarding the details of the District's disbursements or the identity of its vendors other than that contained in the District's check register, which is recorded in the County's accounting system after the disbursements occurred upon receipt of the District's check register.

**Attachment B:  
San Mateo County Mosquito Vector Control District Check Register**

**San Mateo County Mosquito & Vector Control  
Transactions by Account  
As of September 30, 2014**

Type	Date	Num	Name	Amount
<b>1010a - Union Bank Clearing Account</b>				
Bill Pmt -Check	09/09/2014	14824	Charles P. Hansen	-445.18
Bill Pmt -Check	09/09/2014	14825	Dennis J Jewell	-445.18
Bill Pmt -Check	09/09/2014	14826	James Counts	-705.14
Bill Pmt -Check	09/09/2014	14827	Ray Ritts	-445.18
Bill Pmt -Check	09/09/2014	14828	Robert F. Schoeppner	-445.18
Bill Pmt -Check	09/09/2014	14829	Stanley Kamlya	-547.61
Bill Pmt -Check	09/09/2014	14830	Steven L. Jansen	-333.87
Bill Pmt -Check	09/09/2014	14831	78 Fleet - WEX Bank	-136.99
Bill Pmt -Check	09/09/2014	14832	Accountemps	-634.76
Bill Pmt -Check	09/09/2014	14833	Adapco, Inc.	-5,218.92
Bill Pmt -Check	09/09/2014	14834	Airgas Dry Ice	-318.92
Bill Pmt -Check	09/09/2014	14835	Allied Administrators for Delta Dental	-2,691.60
Bill Pmt -Check	09/09/2014	14836	Alpine Helicopter Service Inc	-6,498.00
Bill Pmt -Check	09/09/2014	14837	Amerloan Express	-489.96
Bill Pmt -Check	09/09/2014	14838	AXCIENT	-129.00
Bill Pmt -Check	09/09/2014	14839	Bay Pointe Landscape	-775.00
Bill Pmt -Check	09/09/2014	14840	California Animal Health & Food Safety LS	-161.80
Bill Pmt -Check	09/09/2014	14841	Cintas Corporation #464	-630.34
Bill Pmt -Check	09/09/2014	14842	City of Redwood City	-151.43
Bill Pmt -Check	09/09/2014	14843	Comcast	-220.70
Bill Pmt -Check	09/09/2014	14844	Compu-Data	-1,182.79
Bill Pmt -Check	09/09/2014	14845	De Lage Landen Public Finance	-603.86
Bill Pmt -Check	09/09/2014	14846	Diversified Laboratory Repair	-100.00
Bill Pmt -Check	09/09/2014	14847	Flyers Energy, LLC	-3,354.50
Bill Pmt -Check	09/09/2014	14848	Gralnger	-816.37
Bill Pmt -Check	09/09/2014	14849	Kaiser Foundation Health Plan	-4,958.00
Bill Pmt -Check	09/09/2014	14850	Mellory Safety & Supply LLC	-799.55
Bill Pmt -Check	09/09/2014	14851	Meredith, Weinstein & Numbers, LLP	-1,713.87
Bill Pmt -Check	09/09/2014	14852	O'REILLY AUTO PARTS	-397.44
Bill Pmt -Check	09/09/2014	14853	Office Depot	-191.12
Bill Pmt -Check	09/09/2014	14854	Ole's Carburetor & Electric Inc.	-238.48
Bill Pmt -Check	09/09/2014	14855	Pacific Gas & Electric-558	-2,317.13
Bill Pmt -Check	09/09/2014	14856	Pitney Bowes Inc	-130.80
Bill Pmt -Check	09/09/2014	14857	Portola Valley Feed	-183.95
Bill Pmt -Check	09/09/2014	14858	Recology San Mateo County	-301.05
Bill Pmt -Check	09/09/2014	14859	San Mateo Lawn Mower	-75.60
Bill Pmt -Check	09/09/2014	14860	SCI Consulting Group	-9,754.88
Bill Pmt -Check	09/09/2014	14861	Sharp Electronics Corporation	-805.17
Bill Pmt -Check	09/09/2014	14862	Stericycle, Inc.	-303.11
Bill Pmt -Check	09/09/2014	14863	Townsend & Styer Maintenance Co., LLC	-725.00
Bill Pmt -Check	09/09/2014	14864	U.S. Bank	-15,311.87
Bill Pmt -Check	09/09/2014	14865	UPS	-158.07
Bill Pmt -Check	09/09/2014	14866	Verizon	-711.72
Bill Pmt -Check	09/09/2014	14867	Great-West Life & Annuity Co	-2,110.43
Bill Pmt -Check	09/09/2014	14868	ING Life Insurance & Annuity	-250.00
Bill Pmt -Check	09/09/2014	14869	SM Co. Emp Retirement Assoc	-24,610.11
Bill Pmt -Check	09/09/2014	14870	Angelo Consentino	-150.00
Bill Pmt -Check	09/09/2014	14871	Foley Electric, Inc.	-236.00
Bill Pmt -Check	09/25/2014	14872	Accountemps	-1,134.00

Attachment B:  
San Mateo County Mosquito Vector Control District Check Register

**San Mateo County Mosquito & Vector Control  
Transactions by Account  
As of September 30, 2014**

Type	Date	Num	Name	Amount	
Bill Pmt -Check	09/25/2014	14873	Airgas Dry Ice	-392.52	
Bill Pmt -Check	09/25/2014	14874	Alhambra	-135.78	
Bill Pmt -Check	09/25/2014	14875	Alpine Helicopter Service Inc	-10,010.00	
Bill Pmt -Check	09/25/2014	14876	American Express	-218.17	
Bill Pmt -Check	09/25/2014	14877	AT&T Long Distance	-201.94	
Bill Pmt -Check	09/25/2014	14878	Auto Tech Center	-347.50	
Bill Pmt -Check	09/25/2014	14879	Bay Alarm	-433.92	
Bill Pmt -Check	09/25/2014	14880	Burke, Williams & Sorensen, LLP	-3,075.76	
Bill Pmt -Check	09/25/2014	14881	BVA, Inc.	-26,230.00	
Bill Pmt -Check	09/25/2014	14882	Cardio ENTRIX	-778.03	
Bill Pmt -Check	09/25/2014	14883	Clarke Mosquito Control Products, Inc.	-3,165.57	
Bill Pmt -Check	09/25/2014	14884	Comcast	-100.75	
Bill Pmt -Check	09/25/2014	14885	Compu-Data	-1,560.00	
Bill Pmt -Check	09/25/2014	14886	FedEx	-33.48	
Bill Pmt -Check	09/25/2014	14887	First Call Network, Inc.	-1,275.93	
Bill Pmt -Check	09/25/2014	14888	Flyers Energy, LLC	-3,408.98	
Bill Pmt -Check	09/25/2014	14889	Great-West Life & Annuity Co	-1,360.43	
Bill Pmt -Check	09/25/2014	14890	iNG Life Insurance & Annuity	-250.00	
Bill Pmt -Check	09/25/2014	14891	James Barry	-140.00	
Bill Pmt -Check	09/25/2014	14892	Kone Inc	-1,149.45	
Bill Pmt -Check	09/25/2014	14893	Lampire Biological Laboratories, Inc.	-197.00	
Bill Pmt -Check	09/25/2014	14894	Life Technologies Corporation	-325.91	
Bill Pmt -Check	09/25/2014	14895	Mary Ann Liebert, Inc.	-774.00	
Bill Pmt -Check	09/25/2014	14896	Redwood Trading Post	-308.38	
Bill Pmt -Check	09/25/2014	14897	Regional Government Services	-4,837.55	
Bill Pmt -Check	09/25/2014	14898	Robert Gay	-775.61	
Bill Pmt -Check	09/25/2014	14899	SM Co. Emp Retirement Assoc	-24,100.01	
Bill Pmt -Check	09/25/2014	14900	Standard Insurance Company	-868.96	
Bill Pmt -Check	09/25/2014	14901	U.S. Healthworks Medical Group	-110.00	
Bill Pmt -Check	09/25/2014	14902	Vector-Borne Disease Account	-300.00	
Bill Pmt -Check	09/25/2014	14903	VRS-Catering Connection	-253.90	
Bill Pmt -Check	09/25/2014	14904	AT & T	-814.07	
Bill Pmt -Check	09/25/2014	14905	California Water Service Company	-106.42	
Bill Pmt -Check	09/25/2014	14906	Pacific Gas & Electric-302	-131.94	
Bill Pmt -Check	09/25/2014	14907	Vision Service Plan	-441.60	
<b>TOTAL CHECKS #14824-14907:</b>				<b>-183,484.27</b>	<b>(a)</b>
<b>1010a - Union Bank Clearing Account (Electronic Debits)</b>					
General Journal	09/05/2014	090514A	ADP Fee	-245.25	<b>(b)</b>
General Journal	09/12/2014	09122014A	ADP Payroll & P/R Taxes	-146,861.17	<b>(c)</b>
General Journal	09/19/2014	091914A	ADP Fee	-219.60	<b>(d)</b>
General Journal	09/26/2014	09262014A	ADP Payroll & P/R Taxes	-71,723.68	<b>(e)</b>
<b>TOTAL ELECTRONIC DEBITS:</b>				<b>-219,049.70</b>	
<b>TOTAL 1010a - Union Bank Clearing Account</b>				<b>-402,513.97</b>	<b>Sum of (a)- (e)</b>

**Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance - per County Accounting System**

COUNTY OF SAN MATEO      Verbose      D E T A I L E D      T R I A L      B A L A N C E      09/01/2014-09/30/2014      Page 1  
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JLR--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01  
 SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

Lg SUB UNIT Title	Director	St Tr	FDGP	FUND	SUB FUND DEPT	DIVISION SECTION	PROGRAM	BUDGET
GL 02706 County Mosquito Abatemen	A	07		02706	02706	00000	00000	00000
SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance		
0111 Claim on Cash			Prior to 09/01/14					
	09/01/14	JE369072	AutoID: JTMA0014 Job: 8662 JE	6,680,394.36		5,816,418.18		
	09/16/14	RJ15CFT2	Daily Cash Float Tsfr-Op JE	818.70		5,817,236.88		
	09/19/14	JE368674	AutoID: JMBA9234 Job: 8653 JE	25,488.70		5,842,725.58		
	09/30/14	RJ15CFT2	Daily Cash Float Tsfr-Op JE	12,363.98		5,842,662.98		
SUM of (a) - (e)	09/30/14	JE369221<K>	AutoID: JHSI0024 Job: 8661 JE		402,513.97	5,452,512.99		
		DR	* SUB ACCT Total *	6,719,065.74*	1,266,552.75*	5,452,512.99*		
0112 Claim on Cash - Float			Prior to 09/01/14					
	09/15/14	TTLCR	AutoID: DUZE9154 Job: 8639 CR	195,910.91		25,488.70		
	09/16/14	RJ15CFT2	Daily Cash Float Tsfr-Op JE	25,488.70		25,488.70		
	09/29/14	TTLCR	AutoID: DUZE9294 Job: 8654 CR	12,363.98		12,363.98		
	09/30/14	RJ15CFT2	Daily Cash Float Tsfr-Op JE	233,763.59*		12,363.98		
		DR	* SUB ACCT Total *	233,763.59*	233,763.59*	12,363.98		
0270 Interest Receivable			Prior to 09/01/14					
		DR	* SUB ACCT Total *	9,551.59	9,551.59	25,488.70		
0665 Accrued Salaries and Benefit			Prior to 09/01/14					
		CR	* SUB ACCT Total *	9,551.59*	9,551.59*	12,363.98		
0813 Fund Balance Available			Prior to 09/01/14					
		CR	* SUB ACCT Total *	815,619.70	6,472,729.74	54,723.29		
0882 General Reserves			Prior to 09/01/14					
		CR	* SUB ACCT Total *	815,619.70	6,472,729.74	54,723.29		
0923 Disbursements - Trust Fund			Prior to 09/01/14					
	09/19/14	JE368674	Reim UB Fee 08/14 Mos Vec	863,976.18		770,448.00		
(a)	09/30/14	JE369221	SMC Mosquito Ck#14824-14907 JE	62.60		863,976.18		
(b)	09/30/14	JE369221	SMC Mosquito 9/5/14 ADP Fee JE	183,464.27		864,038.78		
(c)	09/30/14	JE369221	SMC Mosquito 9/12/14 ADP Ta JE	245.25		1,047,503.05		
(d)	09/30/14	JE369221	SMC Mosquito 9/19/14 ADP Fe JE	146,861.17		1,194,609.47		
(e)	09/30/14	JE369221	SMC Mosquito 9/26/14 ADP Ta JE	71,219.60		1,194,829.07		
		DR	* SUB ACCT Total *	1,266,552.75*		1,266,552.75		
0983 Avg Daily Cash	09/30/14	RJADCB	Average Daily Cash Balance	6,084,622.91		-6,084,622.91		
		CR	* SUB ACCT Total *	6,084,622.91		-6,084,622.91		
0993 Avg Daily Cash	09/30/14	RJADCB	Average Daily Cash Balance	6,084,622.91		6,084,622.91		
		CR	* SUB ACCT Total *	6,084,622.91		6,084,622.91		

NOTE: SUM OF (b) - (e) = \$219,049.70; See Attachment D page 3 for ACH/EFT transactions that cleared Union Bank.

**Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance - per County Accounting System**

COUNTY OF SAN MATEO Verbose D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 2  
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTRAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT  
 SELECT ORG SUB UNIT: 02706

Lg SUB UNIT Title	Director	St Tr	EDGP	FUND	SUB FUND	DEPT	DIVISION	SECTION	PROGRAM	BUDGET
GL 02706 County Mosquito Abatement		A	07	02706	02706	00000	00000	00000	00000	00000
SUB ACCT	Date	Primary Ref.	Transaction Description		Debit		Credit		Balance	
1041 CY SB 813 Secured Supplemental CR			Prior to 09/01/14				2,202.12			2,202.12
			* SUB ACCT Total *					2,202.12*		2,202.12*
2451 Misc Services to Cities			Prior to 09/01/14				18,410.91			18,410.91
09/01/14 JE369072			RECLASS OF FUNDS CR288437				818.70			19,229.61
09/15/14 CR292331			ABATEMENT SERVICE 24780				75.87			19,305.48
09/15/14 CR292331			ABATEMENT SERVICE 4402604				9,781.68			29,087.16
09/15/14 CR292331			ABATEMENT SERVICE 116011				5,773.63			34,860.79
09/15/14 CR292331			ABATEMENT SERVICE 24345				4,486.44			39,347.23
09/15/14 CR292331			ABATEMENT SERVICE 122095				129.80			39,477.03
09/15/14 CR292331			ABATEMENT SERVICE 2324529				163.84			39,640.87
09/29/14 CR293478			ABATEMENT SERVICE				112.50			39,753.37
09/29/14 CR293478			ABATEMENT SERVICE				12,251.48			52,004.85
			* SUB ACCT Total *					52,004.85*		52,004.85*
2658 All Other Miscellaneous Revenue			Prior to 09/01/14				177,500.00			177,500.00
09/15/14 CR292331			MISC INCOME 6116370				107.44			177,607.44
09/15/14 CR292331			MISC INCOME 41579961				4,970.00			182,577.44
			* SUB ACCT Total *					182,577.44*		182,577.44*
DR-CR			** SUB UNIT Total **				15,129,176.28*			15,129,176.28*

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance -- per County Accounting System

COUNTY OF SAN MATEO Verbose D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 3  
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02706

SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance
DR-CR			GRAND TOTAL	15,129,176.28	15,129,176.28	

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance -- per County Accounting System

COUNTY OF SAN MATEO Summary D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 4  
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02706

SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance
		02706	County Mosquito Abatement	15,129,176.28	15,129,176.28	
			G R A N D T O T A L	15,129,176.28	15,129,176.28	



Attachment D SMC Mosquito Vector Control District

Bank Statement



**STATEMENT  
OF ACCOUNTS**

Page 1 of 3  
COUNTY OF SAN MATEO  
Statement Number: 2740029757  
08/30/14 - 09/30/14

UNION BANK  
CA LOCAL GOV PCA-US CORP 1092  
PO BOX 513840  
LOS ANGELES CA 90051-3840

Customer Inquiries  
800-798-6466

Thank you for banking with us  
since 1992

COUNTY OF SAN MATEO  
SMC MOSQUITO & VECTOR CONTROL DISTRICT  
555 COUNTY CENTER 1ST FLOOR  
REDWOOD CITY CA 94063

- Conveniently access account information and key online services with the Mobile Business Center from Union Bank. Go to [m.unionbank.com](http://m.unionbank.com) on your smartphone to check balances, initiate transfers, and approve wires securely. You can also manage stops and returns as well as view and make decisions on Positive Pay exceptions. To learn more, call your treasury relationship manager or contact Treasury Management Sales at 800-883-0285.

**Public Fund Checking Summary**

Account Number: 2740029757

Days in statement period: Days in statement period: 32

Balance on 8/30	\$		0.00
Total Credits			389,316.55
ZBA credits (16)		389,316.55	
Total Debits			-389,316.55
Checks paid (88)		-170,266.85	
Electronic debits (6)		-219,049.70	
Balance on 9/30	\$		0.00

**C R E D I T S**

**Zero Balance Accounting credits**

Date	Description/Location	Reference	Amount
9/2	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962398	\$ 19,208.41
9/3	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962233	1,992.29
9/4	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962215	5,556.11
9/5	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962265	31,090.93
9/8	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962238	10,893.41
9/9	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962120	1,138.38
9/10	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962062	320.99
9/12	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962270	150,515.43
9/15	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962416	34,511.42
9/16	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962173	18,942.92
9/17	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962034	33,743.88
9/18	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962188	4,056.58
9/19	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962243	531.20
9/22	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962253	318.92
9/25	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962106	71,723.68
9/30	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962267	4,772.00
	<b>16 Zero Balance Accounting credits</b>	<b>Total</b>	<b>\$ 389,316.55</b>



**Electronic debits**

<i>Date</i>	<i>Description</i>	<i>Reference</i>	<i>Amount</i>	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	A
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	B
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	B
<b>6 Electronic debits</b>		<b>Total</b>	<b>\$ 219,049.70</b>	

Sum of A = \$146,861.17 and Sum of B = \$71,723.68; See Attachment C page 1.

**Daily Ledger Balance**

<i>Date</i>	<i>Ledger Balance</i>	<i>Date</i>	<i>Ledger Balance</i>
8/30-9/30	\$ (0.00)		



**San Mateo County  
Mosquito and Vector Control District**

1351 Rollins Rd  
Burlingame CA 94010  
(650) 344-8592 Fax (650) 344-3843  
www.smcmad.org

2014 NOV 24 P 4: 16  
COUNTY CLERK'S OFFICE  
GENERAL ACCOUNTING

October 28, 2014

Mr. Bob Adler, County Controller  
San Mateo County  
555 County Center, 4<sup>th</sup> Floor  
Redwood City, CA 94063

Dear Mr. Adler,

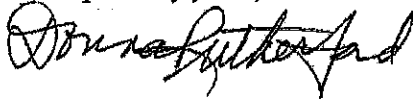
Recently the San Mateo County Mosquito and Vector Control District engaged our auditor, R.J. Ricciardi, Inc. to conduct an Internal Control Review and issue an Agreed Upon Procedures Report. This Internal Control Review was previously requested by our Board of Trustees, the San Mateo County LAFCo and other County officials.

Per the enclosed Agreed Upon Procedures Report issued by R.J. Ricciardi, the analysis of the District's Internal Control Program came back with positive results. Our auditor tested the following areas: District policies, transactional related processes (such as disbursements, payroll, and credit cards), and bank statements (including the county statements). Additionally, fraud questionnaires were provided to 10 staff members, District Manager, Finance Director and the Chair of the District's Finance Committee. In the Internal Control Review, no exceptions were found in any of the aforementioned areas with the exception of the reporting that the District receives from the County Controller's Office.

In the attached report, our auditor noted that the County Treasury General Ledger Report provides data in a lump sum view, which does not provide sufficient transparency. Specifically, our auditor noted that with the ACH/EFT transactions, the report was not transparent to decipher how these transactions reconcile back to the bank statements. A recommendation has been made by our auditor to request that the County Controller's office provide the District with reporting that contains greater transparency.

The Board of Trustees of the San Mateo County Mosquito and Vector Control District respectfully request that the San Mateo County Controller's Office work with the District's Finance Department to provide greater transparency on the monthly County Treasury General Ledger Report. The Board has made transparency a priority and requests that the County assist the District in this endeavor.

Respectfully yours,



Donna Rutherford  
President of the Board of Trustees

DR/r

Enclosures

CC: Rosendo Rodriguez, Interim District Manager  
Board of Trustees, San Mateo County Mosquito & Vector Control District  
Shirley Tourel, Deputy Controller  
Michael O'Connor, R.J. Ricciardi  
John C. Beiers, County Counsel  
John L. Maltbie, County Manager  
San Mateo County LAFCo  
San Mateo County Board of Supervisors

**SAN MATEO COUNTY MOSQUITO  
AND VECTOR CONTROL DISTRICT**

**INDEPENDENT ACCOUNTANTS'  
REPORT  
ON  
APPLYING AGREED-UPON  
PROCEDURES**

R. J. RICCIARDI, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Mr. Rosendo Rodriguez, Finance Director  
San Mateo County Mosquito and Vector Control District  
Burlingame, California

We have performed certain agreed-upon procedures enumerated below for the purpose of assisting the San Mateo County Mosquito and Vector Control District (the District) in determining if their internal controls contain any weaknesses and are working in compliance with the District's written procedures for the period of July 1, 2013 through December 31, 2013. This agreed-upon procedures engagement was conducted in accordance with Attestation Standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures which the District has specified in the engagement letter, either for the purpose for which this report has been requested, or for any other purpose. It is further understood that our report will note only areas of concern, if any.

Specific procedures were developed with the agreement of the District and included the following:

1. An entrance conference undertaken on May 13, 2014 with Rosendo Rodriguez, Finance Director and Robert Gay, District Manager to discuss information needed to complete the engagement.
2. We obtained the trial balance for the six month period ending December 31, 2013 and related general ledger for the District.
3. We obtained a copy of the District's written accounting, internal control and fraud preventions policies. We reviewed the policies and there were no noncompliance or areas for improvement that came to our attention for reporting to the District's Governing board.
4. We judgmentally selected a sample of 47 disbursements from the general ledger noted above and trace to supporting documentation and noted disbursements were properly approved prior to payment and properly recorded in the general ledger. No exceptions were noted.
5. We inspected all credit card statements for the first six months of the fiscal year and note the statements were properly approved prior to payment. We also noted the transactions were supported with receipts. No exceptions were noted.
6. We inspected all bank and County statements for the first six months of the fiscal year for electronic transactions and noted the transactions were properly approved prior to payment. We also noted that the bank and County statements and related reconciliations were reviewed by someone outside of the accounting department. Observations were noted and reported on page 3 of this report.
7. We inquired with Rosendo Rodriguez about any used vehicle and equipment sales during the six months ending December 31, 2013. There were no any used vehicle and equipment sales that were brought to our attention for further inspection.

8. We obtained an analytical review of the District's financial statements for the period of July 1, 2013 to December 31, 2013 compared with the first six months of the fiscal year ending June 30, 2013. We inquired about differences with management to determine the basis for the difference. No exceptions were noted.
9. We selected a sample of 10 payroll transactions and traced the payroll costs to the general ledger and the approved employee timesheets. No exceptions were noted.
10. We judgmentally selected 10 employees for interviewing and obtained from each of them a completed fraud questionnaire. We also obtained from the District Manager, Finance Manager and the Chair of the District's Finance committee a completed a fraud questionnaire. No exceptions were noted.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion, on any of the accounts or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Governing board of the San Mateo County Mosquito and Vector Control District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*R.J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, CA  
September 22, 2014



Observations and Recommendations

1) County Reporting of ACH/EFT Transactions

We noted on the County Treasury GL Account # 1010 that ACH/EFT transactions are not transparent. There is a separate bank statement that reports some of these transactions but it is unclear if all electronic transfers are reported on the bank statement. The County Treasury General Ledger report provided by the County lumps together many transactions including the checks paid and electronic transactions. The Finance Director reviews the transactions in detail each month but this requires obtaining additional detailed information from the County.

The District should request and obtain from the County a report of all ACH/EFT payments made each month. The District should confirm with the County that the vendors' names are accurate. The report should be approved by the General Manager.