

APPROVED

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes

San Mateo Local Agency Formation Commission Meeting

November 15, 2017

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Horsley called the Wednesday, November 15, 2017 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm.

1. Roll Call

Members Present: Commissioners Joshua Cosgrove, Ann Draper, Kati Martin, Mike O'Neill, Harvey Rarback, Warren Slocum, and Chair Don Horsley

Members Absent: Commissioners Rich Garbarino and Joe Sheridan

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

Chair Horsley welcomed Commissioner Kati Martin, who serves as Secretary on the San Mateo County Mosquito and Vector Control District Board of Trustees, as the new Alternate Special District Member. He also noted that Commissioner Sepi Richardson (Alternate Public Member) was present in the audience.

2. Consent Agenda

- a. **Approval of Action Minutes: September 20, 2017**
- b. **LAFCo File 17-13—Proposed Water Extension by the City of Redwood City to Proposed Single-family Home at 656 Park Road (APN 057-172-160) (Unincorporated San Mateo County) Pursuant to Government Code Section 56133 (less than one acre)**
- c. **LAFCo File 17-15—Proposed annexation of 67 Hillbrook Drive, Portola Valley (APN 079-073-120) to West Bay Sanitary District (less than one acre)**

At the request of Commissioner Draper, Chair Horsley removed Item 2b from the consent agenda and placed it on the regular agenda.

COMMISSIONERS: MIKE O'NEILL, CHAIR, City ▪ ANN DRAPER, VICE CHAIR, Public ▪ JOSHUA COSGROVE, Special District ▪ RICH GARBARINO, City
DON HORSLEY, County ▪ JOE SHERIDAN, Special District ▪ WARREN SLOCUM, County

ALTERNATES: KATI MARTIN, Special District ▪ HARVEY RARBACK, City ▪ SEPI RICHARDSON, Public ▪ DAVE PINE, County

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ JEAN BROOK, COMMISSION CLERK

Commission Action: Commissioner O’Neill moved to approve the consent agenda consisting of the Action Minutes for September 20, 2017 and LAFCo File 17-15—Proposed annexation of 67 Hillbrook Drive, Portola Valley (APN 079-073-120) to West Bay Sanitary District. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O’Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

LAFCo File 17-13—Proposed Water Extension by the City of Redwood City to Proposed Single-family Home at 656 Park Road (APN 057-172-160) (Unincorporated San Mateo County) Pursuant to Government Code Section 56133 (less than one acre)

Regarding the proposed water extension, Commissioner Draper asked if Redwood City had a plan for annexation in the future. She reflected on her experience with the City of Sunnyvale where she said that a water connection could be approved with a condition that there be no objection to an annexation, which might happen many years in the future.

Executive Officer Poyatos said the City of Redwood City includes Emerald Lake Hills in their planning area and in their General Plan, but otherwise has no adopted plan for action on how annexation would take place.

Commissioner Draper stated that she didn’t know how the Commission could approve such annexations without a plan in place. She said she would like to hear from Redwood City about their actual plan for annexation and suggested that the Commission defer approval of the water extension until they secured such a plan from the City. She made an alternative suggestion that they approve the extension with the condition that the property owner would not object to the parcel being annexed in the future, and proposed they talk with the City in the interim.

Chair Horsley said that to be fair to the property owner, he preferred not to delay approval of the water extension based on the City’s hesitancy to annex unincorporated islands. He noted that there are several such islands on the periphery of Redwood City such as the Cordilleras Mutual Water District, which serves only 18 connections, and other properties with individual residential connections to the San Francisco Public Utilities Commission (SFPUC).

Chair Horsley noted that he has requested in past that Redwood City annex the parcels in the Cordilleras Mutual Water District. He said that the City agreed to do the annexation if the County would work on the Bayfront Canal, which the County is already doing. He emphasized that it makes sense to annex areas that are completely surrounded by the City and already receiving City water and sewer services.

Ms. Poyatos said that the proposed water extension at 656 Park Road is a condition of the building permit from the County Planning and Building Department. Referring to her presentation showing the Redwood City sphere of influence, she said that all of the Bay side of the City is covered under contracts with either the City or water districts. She noted some of the larger unincorporated areas such as North Fair Oaks and Emerald Lake Hills, and then smaller areas such as Oak Knoll Manor, Selby Lane, and Kensington Square. She said that the

water provider for SFPUC in this area is the City of Redwood City, so all water being provided to the small or individual connections is coming from the City.

Referring to a slide showing non-contiguous boundaries within the City, Ms. Poyatos pointed out a water storage tank located within City boundaries and showed that 656 Park Road is located nowhere near City boundaries. She said that the applicant did not find out that he needed to get LAFCo approval until late in the building permit process. She recommended that the project not be delayed so that construction of the single-family home could commence. She suggested that if the project is approved, the transmittal letter to the City could convey the Commission's concerns about annexation. Ms. Poyatos stated that the City of San Carlos uses the Irrevocable Agreement to Annex when processing similar proposals, which allows them to extend sewer to non-contiguous unincorporated area where the owner agrees to a future annexation.

Ms. Poyatos suggested that the Commission make some policy changes where they put property owners, the City, water providers, and the County Building Department on notice that the Commission in the future will not approve extension of service to a contiguous parcel. She suggested that owners first go to the City for rezoning before proceeding with a LAFCo application.

Commissioner Draper recommended that LAFCo place a condition for annexation on the proposal. Ms. Archer said that conditions in the statute encompass the condition of future unopposed annexation, but added that the question requires further research to see if such a condition would be enforceable. Chair Horsley recommended approval of the proposal and that Ms. Archer follow up with the Commission on the options for conditions to be applied.

Commissioner O'Neill asked if the Commission would need to be proactive or reactive if they wanted to impose such a policy regarding annexation. Ms. Poyatos said that imposing a condition makes LAFCo more proactive on encouraging annexations, but the policy would only be implemented for proposals where the applicants are willing to abide by the condition. She said that the Commission also needs to discuss the City's role in imposing a condition of annexation, e.g., Redwood City could impose the condition before establishing a water connection as opposed to LAFCo imposing the condition before approving an extension. Commissioner O'Neill asked if a new application would need to be submitted. Ms. Poyatos said that future applicants would be notified of the additional conditions for water extensions.

Commissioner Martin asked about the frequency of water extension applications involving Redwood City and Ms. Poyatos responded one to four times per year.

Commission Action: Commissioner Slocum moved to approve LAFCo File 17-13—Proposed Water Extension by the City of Redwood City to Proposed Single-family Home at 656 Park Road (APN 057-172-160) (Unincorporated San Mateo County). Commissioner O'Neill seconded the motion, which passed 6 to 1. (Ayes: Commissioners Cosgrove, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: Commissioner Draper; Absent: Commissioners Garbarino and Sheridan.)

3. Public Comment for Items Not on the Agenda

None.

4. LAFCo File 17-09—Proposed Annexation of 2111-2121 Sand Hill Road (APNs 074-450-030, -040, -050) to the City of Menlo Park (13.64 acres)—CONTINUANCE REQUIRED

Ms. Poyatos stated that LAFCo publishes notice about certain items with the anticipation that the city will have completed the necessary tax exchange and rezoning. She said in this case, the City of Menlo Park has not completed these tasks so she was not able to prepare a staff report for this meeting consideration of the proposed annexation must be continued.

5. LAFCo File 17-16—Proposed Activation of the Service of Operating a 124-unit Assisted Living and Memory Care Facility at 1600 Trousdale Drive, Burlingame, by the Peninsula Health Care District as Authorized by Health Care District Enabling Legislation and Pursuant to Government Code Section 56824.12

Ms. Poyatos referred to her November 8 staff report with Peninsula Health Care District's (PHCD) request for activation of a new service. She said the requirement to request activation of service was introduced in the May 24 Municipal Service Review of both PHCD and Sequoia Healthcare District (SHD), since the District currently is not operating a hospital or other health care facility. She said the request was triggered by the planning and construction by the District of The Trousdale, located at 1600 Trousdale Drive in Burlingame. She said that if approved, the activation of service would apply to any future health-related facilities owned and operated by the PHCD. She noted that PHCD CEO Cheryl Fama and Board Treasurer Dennis Zell were in the audience to answer any questions.

Public Comment: None.

Commission Actions:

- Commissioner Cosgrove moved to certify that the activation of the new service of operating assisted living and memory care facilities is exempt from the California Environmental Quality Act (CEQA) under General Rule Exemption 15061(b)(3). Commissioner Draper seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)
- Commissioner Cosgrove moved to approve LAFCo File 17-16—Proposed Activation of the Service of Operating an Assisted Living and Memory Care or similar facility as Authorized by Health Care District Enabling Legislation and Pursuant to Government Code Section 56824.12. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

**6. Applications Received and Not Certified as Complete and Ready for Hearing
INFORMATION ONLY:**

LAFCo File 17-18—Proposed Annexation of 30 Holden Court, Portola Valley
(APN 079-092-150) to West Bay Sanitary District (1.27 acres)

7. Appointment of Chair and Vice Chair for 2018

Chair Horsley said that the current Vice Chair, Commissioner O'Neill, would become the Chair.

Commission Action: Commissioner Cosgrove moved to appoint Commissioner O'Neill as Chair for 2018. Commissioner Draper seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

Ms. Poyatos corrected the staff report in saying that the position of Vice Chair has traditionally rotated between the different member types, e.g., County, City, Special District, and Public. She said that based on the last rotation, the 2018 Vice Chair would be the Public Member, Commissioner Draper.

Commission Action: Commissioner O'Neill moved to appoint Commissioner Draper as Vice Chair for 2018. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

8. Appointment of Budget Committee and Legislative/Policy Committee for 2018

Chair Horsley volunteered to remain on the Budget Committee for 2018.

Commission Action: Chair Horsley moved to appoint himself and Commissioners Cosgrove and O'Neill to the Budget Committee for 2018. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

Commissioner Cosgrove offered to join the Legislative/Policy Committee. Commissioner Martin inquired if she could serve on the committee as an alternate member. Ms. Archer confirmed that alternate members are allowed to serve on LAFCo committees.

Commission Action: Chair Horsley moved to appoint Commissioners Draper, Cosgrove, and Martin to the Legislative/Policy Committee for 2018. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

9. Legislative Report

Ms. Poyatos noted the legislative update provided at the October CALAFCO Annual Conference which highlighted LAFCo-related bills that were signed and chaptered. She noted that the issues coming up in the next session include updating health care district enabling legislation to provide more detail on which services are authorized and water conservation. She said the Legislative/Policy Committee would need to meet to review pending bills and make recommendations for action.

**10. League of California Cities Article: "It's Time to Restore Opportunities for City Incorporation: The Roots of American Democracy," *Western City*, November 2017
INFORMATION ONLY**

**11. California Association of Local Agency Formation Commissions (CALAFCO)
Correspondence**

a. Report on Attendance at the 2017 Annual Conference in San Diego

Chair Horsley noted one highlight was a discussion of health care districts. He said that both health care districts in the County are in remarkably good financial shape compared to similar districts in other counties. He also summarized his participation in a tour of a desalination plant.

Commissioner Draper said she learned from Sonoma LAFCo that many of the areas affected by the recent North Bay fires were unincorporated and more likely to have septic tanks than connections to city sewers.

Commissioner O'Neill talked about a session that discussed service overlap and the economy of providing those services. He suggested that a future agenda item be the financial viability of the various agencies (special districts, cities) in the County. He said he felt that consideration of reorganizations and dissolutions not be crisis-driven but be carried out in proactive manner.

**b. CALAFCO Request for Authorization for San Mateo LAFCo Executive Officer to
Serve as CALAFCO Deputy Executive Officer Representing the Coastal Region for a
Two-year Term**

Commission Action: Chair Horsley moved to authorize Executive Officer Martha Poyatos to serve as CALAFCO Deputy Executive Officer representing the Coastal Region for a two-year term. Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Martin, O'Neill, Rarback, Slocum, and Chair Horsley; Abstentions: None; Noes: None; Absent: Commissioners Garbarino and Sheridan.)

c. *The Sphere*, October 2017

Ms. Poyatos noted that the Bay Area LAFCo clerks met in August and that details of their discussion are reported in the current issue of *The Sphere*.

12. Letter from Special District Risk Management Authority Regarding President's Special Acknowledgement Award

13. Commissioner/Staff Reports

Vice Chair O'Neill asked if a special LAFCo meeting regarding Item 4, LAFCo File 17-09, would be held on December 20 as requested by Stanford University due to the Commission's bi-monthly meeting schedule. Ms. Poyatos replied that she had a quorum of commissioners to hold the meeting but needed to confirm with the City of Menlo Park that they had the necessary motions to be able to proceed with a December meeting.

14. Adjournment

The meeting was adjourned at 3:07 pm.