

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes San Mateo Local Agency Formation Commission Meeting September 18, 2019

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Draper called the Wednesday, September 18, 2019 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm.

1. Roll Call

Members Present: Commissioners Don Horsley, Ric Lohman, Kati Martin, Harvey Rarback, Warren Slocum, and Chair Ann Draper

Members Absent: Mike O'Neill

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Legal Counsel
Janeth Lujan, Commission Clerk

2. Consent Agenda

- a. Approval of Action Minutes: July 17, 2019
- b. LAFCo File No. 19-05 – Proposed Outside Service Agreement for Water by the City of Redwood City to a proposed single-family home at 808 11th Ave., (APN 055-102-120) (North Fair Oak) Pursuant to Government Code Section 56133 (less than one acre)
- c. LAFCo File No. 19-06 – Proposed Outside Service Agreement for Water by the City of Redwood City to a proposed single-family home at APN 068-211-020 (900 Fallen Leaf Way, Unincorporated San Mateo County) Pursuant to Government Code Section 56133 (less than one acre)
- d. LAFCo File No. 19-09 – Proposed Annexation of 20 Navajo Place, Portola Valley (APN 077-300-070) to West Bay Sanitary District (1.5) acres)

Commission Action: Commissioner Horsley moved to approve the consent agenda consisting of the Action Minutes for July 17, 2019; LAFCo File No. 19-05 – Proposed Outside Service

COMMISSIONERS: ANN DRAPER, CHAIR, PUBLIC ▪ JOSHUA COSGROVE, VICE CHAIR, SPECIAL DISTRICT ▪ RICH GARBORINO, CITY
DON HORSLEY, COUNTY ▪ MIKE O'NEILL, CITY ▪ WARREN SLOCUM, COUNTY ▪ RIC LOHMAN, SPECIAL DISTRICT

ALTERNATES: KATI MARTIN, SPECIAL DISTRICT ▪ HARVEY RARBACK, CITY ▪ JAMES O'NEILL, PUBLIC ▪ DAVE PINE, COUNTY

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ REBECCA ARCHER, LEGAL COUNSEL ▪ ROB BARTOLI, MANAGEMENT ANALYST

Agreement for Water by the City of Redwood City to a proposed single-family home at 808 11th Ave., (APN 055-102-120) (North Fair Oak) Pursuant to Government Code Section 56133 (less than one acre); LAFCo File No. 19-06 – Proposed Outside Service Agreement for Water by the City of Redwood City to a proposed single-family home at APN 068-211-020 (900 Fallen Leaf Way, Unincorporated San Mateo County) Pursuant to Government Code Section 56133 (less than one acre); and LAFCo File No. 19-09 – Proposed Annexation of 20 Navajo Place, Portola Valley (APN 077-300-070) to West Bay Sanitary District (1.5) acres). Commissioner Slocum seconded the motion, which passed unanimously. (Ayes: Commissioners Horsley, Lohman, Martin, Rarback, Slocum, and Chair Draper. Abstentions: None; Noes: None; Absent: O’Neill)

3. Public Comment for Items Not on the Agenda

None

4. Consideration of Adoption of Update to Municipal Service Review and Sphere of Influence Policies

Executive Officer Poyatos referred the Commission to the September 11, 2019 staff report for background on ongoing policy updates by staff and the Commission’s Legislative and Policy Committee and the reasons for those updates. She said the updates to the policies did not contain any significant policy changes from the adopted set of policies.

Ms. Poyatos reported that staff as directed by the Commission at its July 17, 2019 meeting distributed the draft updates of the Municipal Service Review (MSR) and Sphere of Influence (SOI) policies with a July 23 cover letter requesting comments from city managers, city planning directors, city public works directors, special district general managers, homeowner associations, community advisory boards, and the County of San Mateo’s County Manager, Public Works Director, and Planning Director, totaling 78 agencies or groups. She said staff also presented the draft updates at the California Special District Association – San Mateo County Chapter meeting on August 13 and to the San Mateo County Harbor District on August 21.

Ms. Poyatos described the attachments to the staff report. She said regarding comments received that the City of San Bruno wanted to be kept apprised regarding the update process. She said Montara Water and Sanitary District (MWSD) and Montara resident Mr. Gregg Diéguez had submitted several detailed comments on the draft policies. She said after the comment period closed, the Commission’s Legislative and Policy Committee (Chair Draper and Commissioners Martin and Jim O’Neill) met on August 30, 2019 to review the comments, the draft policies and staff’s draft responses to comments and to provide input. She said the staff report outlined staff’s response to the comments and recommended revisions and/or clarifications based on comments. She said MWSD’s comments focused on the SOI policy and Mr. Dieguez’ comments duplicated some of MWSD’s comments but also included questions in the areas of Procedures, Decision Criteria and Recommended Actions.

Ms. Poyatos said that minor changes were made to the draft SOI policy, Attachment B, in response to the MWSD comment letter and highlighted that “unique” was added to the definition of “lands under study” and the duplicative use of “agency” in a sentence was removed. She said a number of MWSD’s comments referenced a Little Hoover Commission Report of August 2017, titled "Special Districts: Improving Oversight & Transparency." She said that in a number of comments, the statements cited from the report by MWSD were taken out of context, particularly around the issue of local oversight and the exercise of authority over agencies by local LAFCos. She said the draft SOI policy included staff’s recommendation to include a definition of essential services as found in the current SOI policy. She said the other edits from the July 23rd version included minor formatting changes and the addition of footnotes for corresponding Government Code Sections that provided greater linkages to the Act. She said the draft SOI policy eliminated the distinction between city spheres and district spheres, and reference to urban service areas. She noted that the SOI policy was last updated in 2001 and had not included procedures for amendments and updates to existing SOIs, either by the Commission or by a city or special district.

Ms. Poyatos said that the draft Municipal Service Review (MSR) policy outlined the required areas of determinations, stakeholder and public participation, the review process, and a list of agencies subject to MSRs. She said the draft policy updated the areas of determinations so that the policy was consistent with current state law and added local policy consideration regarding water resiliency, climate change, and natural hazards. She noted that the MSR policy was last updated in 2014. She outlined staff responses to Mr. Diéguez’s comments and referred the Commission to pages 7 and 11 of the staff report. She said that staff recommended the policies be considered and voted upon separately.

Chair Draper opened the public hearing.

Mike O’Connelly said he was the Broadmoor Chief of Police and Broadmoor Special District General Manager. He said he took over in June 2019 and had not seen any of the documents mentioned as distributed. He requested an opportunity to review the draft policies noting that his Board did not support the SOI finding of zero for the Broadmoor Special District.

Chair Draper closed the public hearing.

In response to a question from Chair Draper, Ms. Poyatos said the documents were sent to all the special districts within the County and no envelopes had been received back as undeliverable.

Commissioner Lohman said in regard to MWSD’s comments that some of the smaller special districts on the coast north of Half Moon Bay found the verbiage seemed to push consolidation for consolidation’s sake. He noted five instances of potential action to consolidate since he had been on the Commission, none of which had occurred.

Commission Action: Commissioner Horsley moved to approve the recommended Municipal Service Review Policy update. Commissioner Martin seconded the motion, which passed. (Ayes: Commissioners Horsley, Martin, Rarback, Slocum, and Chair Draper. Abstentions: Commissioner Lohman; Noes: None; Absent; Commissioner O'Neill)

Commission Action: Commissioner Horsley moved to approve the recommended Sphere of Influence Policy update. Commissioner Slocum seconded the motion, which passed. (Ayes: Commissioners Horsley, Martin, Rarback, Slocum, and Chair Draper. Abstentions: Commissioner Lohman; Noes: None; Absent; Commissioner O'Neill)

Chair Draper noted she voted "yes" as the issue raised by Mr. O'Conelly regarding SOI designation was not an issue of the policy updates.

5. Consideration of Amendment of the Adopted 2019-20 Fiscal Year Budget Pursuant to Government Code Section 56381

Executive Officer Poyatos referred to the staff report dated September 12, 2019 and highlighted reasons for the recommended amendment to the Commission's adopted 2019-20 Fiscal Year Budget, including a greater actual fund balance after close of Fiscal Year 2018-19 than had been estimated. She noted that the additional funds resulting from a greater actual fund balance was not recommended for allocation to the reserve as in prior years but to be applied to mitigate contributions by cities, independent special districts, and the County to the LAFCo budget.

Chair Draper opened the public hearing and closed it as there were no speakers.

Commission Action: Commissioner Lohman moved to adopt a resolution approving the recommended Amended 2019-20 Fiscal Year Appropriations Budget of \$623,038. Commissioner Rarback seconded the motion, which passed unanimously. (Ayes: Commissioners Horsley, Lohman, Martin, Rarback, Slocum, and Chair Draper. Abstentions: None; Noes: None; Absent: O'Neill)

6. Consideration of a Resolution Authorizing an Agreement with the County of San Mateo for Staffing, Legal Counsel, Office Space, and Supplies for the 2019-20 Fiscal Year

Executive Officer Poyatos provided a brief report on the proposed annual agreement with the County of San Mateo.

Commission Action: Commissioner Slocum moved to adopt a resolution approving an agreement as presented with the County of San Mateo for staffing, legal counsel, office space, and supplies for the 2019-20 Fiscal Year. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Horsley, Lohman, Martin, Rarback, Slocum, and Chair Draper. Abstentions: None; Noes: None; Absent: O'Neill)

7. Legislative and Policy Committee

a. Legislative Report

Executive Officer Poyatos referred to the staff report dated September 11, 2019. She reported that CALAFCO on September 10 sent an email to all LAFCOs requesting opposition letters to AB 600 (Chu) be removed. She said the bill, focused on the extension of utilities to disadvantaged communities, was recently amended. She said upon review of those amendments by the CALAFCO Legislative Committee that it voted to remove its opposition. She said San Mateo LAFCo had sent an opposition letter regarding this bill, so staff asked the Commission's Legislative and Policy Committee for direction. She said the Committee directed staff to not withdraw the opposition letter as there were some overarching issues with the bill that had not yet been fully addressed.

Ms. Poyatos reported that since the staff report was mailed AB 825 (Mullin), legislation to form the San Mateo County Flood and Sea Level Rise Resiliency District, was signed. She said this legislation reorganized the County-governed Flood Control District into an independent agency with board members appointed by the County Board of Supervisors and the 20 cities. She said the District was not subject to LAFCo review, but LAFCo staff had assisted the County with some questions related to the startup of the agency.

8. California Association of Local Agency Formation Commissions (CALAFCO)

a. Voting Delegates at CALAFCO Conference to be held Oct. 30 to November 1, 2019, Sacramento, CA

Executive Officer Poyatos made a brief report.

Commission Action: Commissioner Martin moved to appoint Commissioner Horsley as voting delegate and Commissioner Mike O'Neill and Lohman, in that order based on availability, as alternate voting delegates to the CALAFCO Conference to be held October 30 to November 1, 2019 in Sacramento, California. Commissioner Lohman seconded the motion, which passed unanimously. (Ayes: Commissioners Horsley, Lohman, Martin, Rarback, Slocum, and Chair Draper. Abstentions: None; Noes: None; Absent: O'Neill)

b. Proposed New CALAFACO Membership Dues Structure

Executive Officer Poyatos provided a report on the proposed new CALAFCO membership dues structure and recommended Commission support.

Commission Action: Commissioner Horsley moved to support CALAFCO's proposed new dues structure and direct the Commission's voting delegate to vote accordingly at the CALAFCO Annual Conference on October 31, 2019. Commissioner Rarback seconded the motion, which passed unanimously. (Ayes: Commissioners Horsley, Lohman, Martin, Rarback, Slocum, and Chair Draper. Abstentions: None; Noes: None; Absent: O'Neill)

c. 2019 CALAFCO Achievement Award Nominations

No action taken.

9. Commissioner/Staff Reports

- a. 2018 San Mateo County Crop Report – Information Only
- b. Special Districts' Role in Climate Change Article – Information Only
- c. Inclusion of San Mateo County Department of Public Works Fees to LAFCo Fee Schedule – Information only

10. Adjournment

Chair Draper adjourned the meeting at 3:10 p.m.