

APPROVED

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes

San Mateo Local Agency Formation Commission Meeting

January 18, 2017

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Horsley called the January 18, 2017 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:32 pm.

1. Roll Call

Members Present: Commissioners Joshua Cosgrove, Ann Draper, Rich Garbarino, Joe Sheridan, Warren Slocum, and Chair Don Horsley

Members Absent: Vice Chair Mike O'Neill

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

Commissioner Ric Lohman (Alternate Special District Member) was in the audience.

2. Consent Agenda

Commission Action: Commissioner Sheridan moved approval of the consent agenda consisting of the Action Minutes for November 16, 2016. Commissioner Garbarino seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Sheridan, Slocum, and Chair Don Horsley; Noes: None; Absent: Vice Chair O'Neill)

3. Public Comment for Items Not on the Agenda

None.

4. Public Hearing: Consideration of Proposed Activation of Recycled Water Provision to Sharon Heights Golf & Country Club and Stanford Lands (Phases I and II) by West Bay Sanitary District Pursuant to Government Code Section 56824.12

Executive Officer Poyatos reviewed highlights of her January 11 staff report that contains the LAFCo factors and California Environmental Quality Act (CEQA) review the Commission

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

ALTERNATES: RIC LOHMAN, Special District ▪ RAY MUELLER, City ▪ SEPI RICHARDSON, Public ▪ (VACANT), County

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

necessary to approve the proposed project. She noted that a prior version of her report had erroneously included water provision as one of the active services provided by West Bay Sanitary District (WBSD). In a slide presentation, she provided an overview of the service provision area, including a detailed map and noted that the proposal included using purple pipe (carries sewage water that has been filtered for solids and cleaned of some impurities) to transport the recycled water.

Ms. Poyatos discussed funding estimates and sources for operations and maintenance. She noted that LAFCo had received comment letters regarding the project from the City of Menlo Park, the Town of Portola Valley, and Silicon Valley Clean Water (SVCW).

She stated that WBSD, as lead agency for the project, had prepared a mitigated negative declaration (MND) in November 2015. She noted that along with their November 2016 application to LAFCo, WBSD included an addendum to the MND that showed no additional environmental impacts.

Ms. Poyatos stated that the proposal is consistent with best practices in water conservation, responds to the need for recycled water for non-potable uses, and assists the City of Menlo Park with water conservation efforts in providing a safe and reliable water supply. She recommended that the Commission approve the proposal and adopt the resolution.

Commissioner Slocum asked Ms. Poyatos how the \$300,000 estimated for operations and maintenance would be paid after the Prop. 1 grant runs out. She responded that Sharon Heights Golf & Country Club (SHG&CC) will pay annual debt service until the loan is paid down and the project would be funded as an enterprise activity separate from other budgetary items for WBSD.

Agency Comment:

Phil Scott, West Bay Sanitary District General Manager, noted that the water they would be collecting is primarily residential and thus a better-quality wastewater. He said the Hetch Hetchy water now used by the golf course could be reallocated as potable water for other uses in the City of Menlo Park. He reviewed the highlights of the District's financial agreement with SHG&CC and said they would issue requests for proposals (RFPs) following approval of the project by LAFCo. He stated that SHG&CC would reimburse the District for operations and maintenance costs annually. He said that Stanford Linear Accelerator Center (SLAC), if added, would take on their share of the operations and maintenance costs and debt service.

Commissioner Cosgrove asked if the District had an estimated construction schedule for the treatment plan and pipeline. Mr. Scott said they were in pre-design mode and hoped to begin construction in the summer. He said that once the RFP is out, they would have a design-build team consisting of a construction and an engineering firm with completion projected for late 2018.

Commissioner Cosgrove asked if WBSD would operate the plant. Mr. Scott said that design-build team would provide a contract operator for the initial six months of the project. He said the District hoped to continue the contract until a certified operator could be developed in house. Commissioner Cosgrove asked how many operators would be needed. Mr. Scott said that less than one full-time operator is required, which potentially makes it difficult when hiring for the position unless that person could also perform other duties.

Commissioner Draper asked if the project area included everything within the red boundary indicated on the map in the presentation and staff report. Mr. Scott said the project currently includes SHG&CC and hopefully SLAC. He said that it's less likely that the District will be able to provide water to the residential areas within the pink shaded area on the map, and that they would need to apply to LAFCo again if they were able to provide water to these residents in the future. Commissioner Draper asked if the package plant has the capacity to serve these residential areas within the boundary. Mr. Scott responded that the plant has enough capacity to serve the golf course, which operates primarily in the summer, and SLAC's cooling towers, which run year round and includes the golf course's off-peak season. He said that although homeowners' associations had inquired about being supplied with recycled water, the District doesn't anticipate having the capacity to provide it. He said they will be selectively choosing their customers based on what their actual capacity is once the project gets underway.

Commissioner Draper asked if the map illustrates just the two facilities within the designated boundary. Ms. Poyatos clarified that the map includes the larger area that WBSD studied and considered but that the resolution and LAFCo's recommendations are confined to SHG&CC and SLAC.

Commissioner Cosgrove asked if the District planned to offset any of their power requirements for providing the ultraviolet disinfection, such as using solar energy. Mr. Scott said that the design-build team would be investigating ways to offset the electrical need once the project moves past the pre-design phase. He noted that lack of roof space may be an impediment to using solar.

Mr. Scott noted that SHG&CC Water Committee Chair Robin Driscoll and consultant Christy Kennedy from RMC Water and Environment were in the audience and available to answer any further questions.

Public Comment:

Ric Lohman, Half Moon Bay (Granada Community Services District board member and LAFCo alternate member), expressed his support for the project. He said a similar recycled water project for a Coastside golf course is in the preliminary costing process. He noted SVCW's comment that the project would result in increased growth in the area. He said that WBSD's response was that any offset water supply is anticipated to be used by the City of Menlo Park for future planned development. He said he believed that surplus recycled water should first go

to the areas on the Coastside and Peninsula that have conserved water use in recent years rather than be used to support new development.

Commission Action:

Chair Horsley moved to close the public hearing. Commissioner Garbarino seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Sheridan, Slocum, and Chair Don Horsley; Noes: None; Absent: Vice Chair O'Neill)

Commissioner Cosgrove inquired if SVCW was objecting to the project in their comment letter. Ms. Poyatos noted that in a conversation with the commenter, SVCW said they were only raising issues and that the project does not preclude future implementation of SVCW projects that they cite in their letter.

Chair Horsley said he believed that it is the City's role and not LAFCo's to decide about the question of future development and recycled water provision. He commended the project for not using Hetch Hetchy water for the golf course.

Commission Actions:

- (1) Commissioner Draper moved to certify, with respect to the environmental review, that the Commission has considered the proposed activation of recycled water functions and services for West Bay Sanitary District Recycled Water Project – Sharon Heights Mitigated Negative Declaration, November 24, 2015, and the Addendum to Initial Study/Mitigated Negative Declaration for the West Bay Sanitary District Recycled Water Project – Sharon Heights and find that impacts and mitigation measures are within the responsibility of the West Bay Sanitary District and not LAFCo and that mitigation measures have been adopted by the District. Commissioner Cosgrove seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Sheridan, Slocum, and Chair Don Horsley; Noes: None; Absent: Vice Chair O'Neill)
- (2) Commissioner Draper moved to approve the activation of the recycled water function and service for West Bay Sanitary District to Sharon Heights Golf & Country Club and Stanford Lands and update the District's Inventory of active services and functions as outlined in the staff report. Commissioner Cosgrove seconded the motion, which passed unanimously (Ayes: Commissioners Cosgrove, Draper, Garbarino, Sheridan, Slocum, and Chair Don Horsley; Noes: None; Absent: Vice Chair O'Neill)
- (3) Commissioner Draper moved to adopt LAFCo Resolution No. 1207 containing Commission determinations pursuant to Sections 56668 and 56824.14 and approving the application. Commissioner Garbarino seconded the motion, which passed unanimously. (Ayes: Commissioners Cosgrove, Draper, Garbarino, Sheridan, Slocum, and Chair Don Horsley; Noes: None; Absent: Vice Chair O'Neill)

5. Legislative Report

Ms. Poyatos referred to her January 11 staff report on SB 1266 regarding a new requirement that joint powers authorities (JPAs) that provide a direct municipal service must submit an original agreement plus any subsequent amendments to LAFCo. She said that the agreements would be posted on the LAFCo website following the July 1, 2017 deadline to submit them to LAFCo. Ms. Poyatos confirmed with Commissioner Draper that the agreements could be filed electronically.

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

a. CALAFCO Quarterly – December 2016

b. CALAFCO White Paper: Sustainable Groundwater Management Act and Local Agency Formation Commissions – December 2016

Ms. Poyatos noted that LAFCo does not have any jurisdiction over the groundwater management agencies being formed in various counties, with the possible exception of when an agency wants to expand their current boundaries to include a groundwater basin.

Commissioner Draper remarked on the increase of water-related actions and said that she was interested in discussing with the Legislative/Policy Committee how LAFCo could get more involved in such actions.

7. Commissioner/Staff Reports

Ms. Poyatos gave an update on the status of the health care Municipal Service Review currently being prepared by a consultant team. She said the consultants are working with both Peninsula Health Care District and Sequoia Healthcare District and anticipated that an administrative draft would be available for the Commission's review at the March meeting.

Commissioner Cosgrove asked Ms. Poyatos if she had any more information about videotaping LAFCo meetings. Ms. Poyatos responded that she would include the estimated costs in the Budget Committee's upcoming budget deliberation.

8. Adjournment

The meeting was adjourned at 3:07 pm.