

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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

Action Minutes

San Mateo Local Agency Formation Commission Meeting

November 16, 2016

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Cosgrove called the November 16, 2016 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:32 pm.

1. Roll Call

Members Present: Commissioners Ann Draper, Mike O'Neill, Joe Sheridan, Vice Chair Don Horsley, and Chair Joshua Cosgrove

Members Absent: Commissioners Rich Garbarino and Adrienne Tissier

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

Commissioners Ric Lohman (Alternate Special District Member) and Sepi Richardson (Alternate Public Member) were in the audience.

2. Consent Agenda

Commission Action: Commissioner O'Neill moved approval of the consent agenda consisting of the Action Minutes for September 21, 2016 and LAFCo File No. 16-09—Proposed Annexation of 228 Westridge Drive, Portola Valley (APN 077-271-090) to West Bay Sanitary District. Vice Chair Horsley seconded the motion, which passed unanimously. (Ayes: Commissioners Draper, O'Neill, Sheridan, Vice Chair Don Horsley, and Chair Joshua Cosgrove; Noes: None; Absent: Commissioners Garbarino and Tissier)

3. Public Comment for Items Not on the Agenda

None.

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

4. Consideration of Authorization of Contract with the Consulting Firm of Harvey M. Rose Associates, LLC, for Preparation of a Municipal Service Review and Sphere of Influence Update for the Sequoia Healthcare District and the Peninsula Health Care District

Executive Officer Poyatos referred to her November 9 staff report. She said that LAFCo only received one proposal for the RFP requesting proposals for preparation of the Municipal Service Review (MSR). She noted that there are several reviews currently be conducted by LAFCos throughout the state and that there are a limited number of available contractors. She said that Vice Chair Horsley and Commissioner Garbarino, representing the Budget Committee, interviewed representatives from Harvey M. Rose and support awarding them the contract. She said that \$9,000 would need to be moved from reserves towards consulting, totaling the \$69,000 needed for the contract.

Commissioner Draper asked how information from the Little Hoover Commission's investigation regarding health care districts might come into consideration for the upcoming MSR. She also asked about how LAFCo would solicit community involvement in the MSR process.

Ms. Poyatos responded that staff would share any information that came out of the Little Hoover investigation. Regarding public outreach, she said LAFCo would ask cities and the health care districts to post the information on public workshops on their websites. She also said LAFCo would reach out to the media and homeowners' associations. She said that she would conduct the workshops at a centrally located venue.

Commissioner O'Neill confirmed that the MSR would be done by March 31, 2017. Ms. Poyatos said the Commission would consider the final report at their March 15 meeting. Commissioner asked when the Little Hoover Commission would be done with their report. Ms. Poyatos said that while today's Little Hoover meeting was specifically about health care districts, the report would concern special districts in general and that she didn't know when it would be complete.

Vice Chair Horsley noted that he was very impressed with the Harvey Rose three-member team. He noted that in the event a special district is dissolved, the money does not go back to the taxpayer but to the different agencies that are covered by the districts. He asked if the financial details of such a scenario would be disclosed in the report. Ms. Poyatos said that the Commission determines how a dissolution would take place. She noted that property tax could also go to any designated successor agency and the report would cover possible outcomes.

Commissioner Sheridan, referring to the staff report, asked if San Mateo Medical Center and other County health programs were under review in addition to the health care districts. Ms. Poyatos said there is a significant overlap of services between the County Health Department and Sequoia Healthcare District, and that San Mateo Medical Center is located within the Peninsula Health Care District boundaries. He asked about the possibility of conducting a study of health care providers in general throughout the County. Ms. Poyatos said that LAFCo does

not study private entities and that she believes that the County Health Department could be the agency to initiate such a study.

Chair Cosgrove asked about the RFP deadline and Ms. Poyatos said respondents had had 60 days to submit a proposal. He asked if LAFCo had considered extending the deadline to possibly attract more responses since the MSR wasn't urgent. Ms. Poyatos said that since the Commission meets every other month, the deadline to consider the contract would likely be pushed out three months, delaying the MSR. Chair Cosgrove expressed his concern with having only one consultant respond.

Public Comment: None.

Commission Action: Vice Chair Horsley moved to authorize the contract with the consulting firm of Harvey M. Rose Associates, LLC, for preparation of a Municipal Service Review and Sphere of Influence Update for the Sequoia Healthcare District and the Peninsula Health Care District for the term December 5, 2016 through March 31, 2017 in an amount not to exceed \$69,000. Commissioner O'Neill seconded the motion, which passed unanimously. (Ayes: Commissioners Draper, O'Neill, Sheridan, Vice Chair Don Horsley, and Chair Joshua Cosgrove; Noes: None; Absent: Commissioners Garbarino and Tissier)

5. Appointment of Chair and Vice Chair for 2017

Chair Cosgrove asked for nominations. Vice Chair Horsley noted that following the traditional rotation, the Chair would be a County member and the Vice Chair would be a City member.

Public Comment: None.

Commission Action: Commissioner Sheridan moved to nominate Vice Chair Horsley for Commission Chair for 2017. Commissioner O'Neill seconded the motion, which passed unanimously. (Ayes: Commissioners Draper, O'Neill, Sheridan, Vice Chair Don Horsley, and Chair Joshua Cosgrove; Noes: None; Absent: Commissioners Garbarino and Tissier)

Commission Action: Vice Chair Horsley moved to nominate Commissioner O'Neill for Commission Vice Chair for 2017. Chair Cosgrove seconded the motion, which passed unanimously. (Ayes: Commissioners Draper, O'Neill, Sheridan, Vice Chair Don Horsley, and Chair Joshua Cosgrove; Noes: None; Absent: Commissioners Garbarino and Tissier)

6. Appointment of Budget Committee and Other Committees for 2017

Commissioner Draper proposed adding a Policy Committee in addition to the Budget Committee and the Legislative Committee, based on recommendations she received from commissioners from other LAFCos at the recent CALAFCO conference in Santa Barbara. She outlined the Committee's purpose, which includes staying abreast of new laws or upcoming actions. She gave the example that the increase in groundwater proposals could lead to 400

new proposed districts statewide, which may involve San Mateo County. She said the Policy Committee would also review existing Commission policies and propose new policies as needed for upcoming projects.

Ms. Poyatos noted that the groundwater sustainability agencies would be primarily joint powers agreements between special districts and the counties/cities rather than new entities, but agreed with Commissioner Draper that the Commission may wish to review and update their policies in general. She noted that while many LAFCos have agricultural preservation policies in place, San Mateo County has an indelible urban/rural boundary with no prime agricultural land that is eligible for annexation. She said that she supported a proposal to combine the Legislative Committee with the Policy Committee.

Commissioners Draper and O'Neill volunteered to be on the Legislative/Policy Committee and also volunteered Commissioner Lohman who was in the audience. Chair Cosgrove and Vice Chair Horsley volunteered to be on the Budget Committee and also volunteered Commissioner Garbarino in his absence.

7. Legislative Report

Ms. Poyatos referred to her November 9 staff report and noted the additional Legislative Update. She noted that the Little Hoover Commission meeting was happening at the same time and that she looked forward to hearing a report from her colleagues who were in attendance.

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

a. Thank-you Letter from Executive Director

Ms. Poyatos noted the letter from CALAFCO Executive Director Pamela Miller thanking the Commission for their participation at the annual conference.

b. Report on Attendance at the Annual Conference

Ms. Poyatos noted Commissioner Draper's report to the Commission about her participation as a new LAFCo public member.

9. Commissioner/Staff Reports

Ms. Poyatos noted an upcoming West Bay Sanitary District application to provide recycled water to Sharon Heights Golf & Country Club and eventually to Stanford Linear Accelerator Center (SLAC). She said the Commission would be receiving a mitigated negative declaration on the project. She said the West Menlo Triangle annexation is on hold while the City and County Public Works Departments discuss the details of needed road improvements and boundaries.

She said the new Legislative/Policy Committee could discuss the issues raised by a potential application for water extension where the property is split between the city and unincorporated lots. She said that although the city in question does not want to consider any

annexations, Section 51633 may allow for water extension approval by the Commission outside a city's boundaries in anticipation of annexation.

Commissioner Draper raised a topic from the recent CALAFCO conference regarding ex parte communications. She asked Ms. Archer about the legal requirements regarding commissioner communications outside of LAFCo meetings. Ms. Archer said she would provide the Legislative/Policy Committee with information about the amount of leeway allowed in discussing pending applications while adhering to the Brown Act. She said in some instances that commissioners may choose either to bring public concerns before the Commission themselves or advise members of the public to bring their concerns directly before the Commission at a LAFCo meeting.

Commissioner Sheridan asked about filling the vacant County position. Ms. Poyatos said the Board of Supervisors would be filling board and commission positions in January 2017.

Chair Cosgrove, current Board President for North Coast County Water District (NCCWD), noted that the District would be renewing their certificate of transparency at their board meeting that evening. He added that NCCWD had also received a District of Distinction award from the California Special Districts Association (CSDA).

Ms. Poyatos noted that she was checking into the cost of videotaping the LAFCo meetings per Chair Cosgrove's earlier inquiry. She said she planned to add that topic to the budget deliberation for Fiscal Year 2017-2018.

10. Adjournment

The meeting was adjourned at 3:07 pm.