

**APPROVED**

## Action Minutes

### San Mateo Local Agency Formation Commission Meeting

January 21, 2015

In the Board of Supervisors' Chambers, 400 County Center, Redwood City, California, Chair Craig called the January 21, 2015 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:35 pm.

#### Roll Call

Members Present: Commissioners Joshua Cosgrove, Rich Garbarino (arrived at 2:37 pm), Don Horsley, Mike O'Neill (Alternate City Member), Joe Sheridan, Adrienne Tissier, and Chair Linda Craig

Members Absent: None

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

Chair Craig noted that Commissioner Ric Lohman (Alternate Special District Member) was in the audience.

#### Consent Agenda

Commissioner Sheridan asked Deputy County Counsel Archer if a Commissioner was allowed to vote on minutes for a meeting he/she had not attended. Ms. Archer said it was allowed provided the Commissioner had reviewed the minutes prior to voting.

Commission Action: Commissioner Tissier moved approval of the consent agenda consisting of the Action Minutes: November 19, 2014 and 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). Commissioner Horsley seconded the motion, which passed with Commissioners O'Neill and Sheridan abstaining on the Action Minutes. (Ayes: Commissioners Cosgrove, Garbarino, Horsley, Tissier, and Chair Craig; Noes: None; Abstentions—on Action Minutes only: Commissioners O'Neill and Sheridan.)

#### Public Comment for Items Not on the Agenda

None.

#### 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

Executive Officer Poyatos reported that LAFCo had received a letter from Sabrina Brennan, President of the Harbor Commission, requesting that LAFCo delay the Municipal Service Review (MSR) because the Board had two newly elected members and needed time to implement the recommendations of the Grand Jury. The letter was a draft to be considered by the Harbor

Commission at their meeting to take place the evening of January 21. She stated that several other emails were received making the same request and these had been provided to LAFCo. Ms. Poyatos noted that the Harbor Commission could continue to move on with some of the plans outlined in the draft letter from Ms. Brennan and that LAFCo could concurrently move ahead with the MSR.

Commissioner Horsley said he had also talked to Ms. Brennan and noted that she is serving with fellow Harbor District Commissioners Nicole David and Tom Mattusch, who are serving on an elected board for the first time. He said he supported going forward with the MSR since it would also provide an educational experience for the new harbor commissioners.

Vice Chair Cosgrove asked why the low-end consultant was rejected. Ms. Poyatos said that that consulting agency submitted as part of their prior experience a review of a much smaller harbor district that does not have the complexity of issues facing San Mateo County Harbor District that did not demonstrate the depth of analysis that will required for the Harbor District MSR.

Commissioner Garbarino asked about the last time the Harbor District was reviewed and Ms. Poyatos stated it was in 2006. She said LAFCo was behind schedule in producing MSRs for the cities in addition to the Harbor District review. She also noted that a consultant is currently preparing a review of Pacifica, Colma, Daly City, Brisbane, and all the underlying special districts.

Commissioner Garbarino said he did not see the correlation between new harbor commissioners and doing a service review. He said, however, that he agreed that it would be beneficial for the newly elected commissioners to go through the MSR process to reveal any issues that need to be addressed.

Commissioner O'Neill noted that in the banking industry, a branch audit was done whenever there was a change in managers. He said he was in favor of applying this philosophy to a public agency.

Chair Craig noted that, based on Grand Jury recommendations, any discussion of possible dissolution by the County would happen only after an MSR has been completed.

Commissioner Sheridan noted that a comment email from Mr. Leonard Woren had not been included in the Supplemental Report packet (Item 4a). He said that while he understands the hesitation of special districts to undergo a service review, he feels that MSRs are beneficial and that he supports moving forward with the Harbor District MSR.

Public Comment:

Ms. Brennan referred to the draft letter from the District and noted that it was also on their meeting agenda that evening. She said the District would submit the letter, if approved by the District board, to LAFCo by the end of the week. She said the District is in a state of transition and is currently doing a consultant-directed executive search for a new general manager. She said that while she is supportive of the MSR process, she wanted to wait to proceed until after the hiring of the new general manager, which might take another three to six months. She stressed that the new manager needs to be up to speed on all the changes that are happening

at the District to meet the concerns from the Grand Jury report and those that are brought up during the review process.

Mr. Ric Lohman, speaking as a Half Moon Bay resident and Granada Community Services District board member, noted his familiarity with the MSR process. He said he would like the Harbor District MSR to include all the plans they are moving forward with for the future. He said he anticipated that the MSR would include forecasts of expected improvements over time if the recommended plans therein were implemented.

Chair Craig asked staff to comment on the timing and scope of the project, as well as the potential burden on the agencies under study.

Regarding the burden on the agencies, Ms. Poyatos said the majority of the information requested of the agencies is available on the website or existing documents, e.g., budgets and capital plans. She said the consultant has a scope of work and is aware that the District is in a state of flux. She noted that the consultant could incorporate documents such as the District's draft letter into his report. She said that additional forecasting such as that outlined by Mr. Lohman would need to be included as an add-on to the existing proposal or assigned to consultants already in contract with the District. She stated that the MSR would be a good tool for the District and could be a plan from which it can move forward.

Commissioner Tissier noted that the MSR provides a "snapshot in time" of an agency that may be in a state of flux. She said she believes that by the end of the process, the District will have the opportunity to show LAFCo what they have been able to accomplish since the inception of the review. She stated that the acting general manager should be capable of providing the documentation requested by LAFCo for the consultant to complete the MSR.

Commissioner Cosgrove, referring to his comments regarding the Harbor District consulting contract at the November 2014 LAFCo meeting, said he felt it was prudent to wait to do the MSR even though he agreed that it is important to do the review. He noted that the review process puts an extra burden on the agency under review.

Chair Craig stated that she was satisfied with the timing of the MSR and that she supports the decision to move forward with it.

Commission Actions:

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

Commissioner Tissier moved to authorize the contract with Economic & Planning Systems, Inc., in an amount not to exceed \$37,940 to prepare the San Mateo County Harbor District MSR/SOI. Commissioner Garbarino seconded the motion, which passed 6 to 1. (Ayes: Commissioners Garbarino, Horsley, O'Neill, Sheridan, Tissier, and Chair Craig; Noes: Commissioner Cosgrove.)

**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**

Ms. Poyatos noted that this is an information-only item regarding an application that will require a negative declaration to assess potential environmental impacts of extending the sewer main.

Public Comment: None.

**Legislative Report and Update on Chaptered Bills Affecting LAFCo**

Ms. Poyatos noted the CALAFCO Daily Legislative Report in the packet. She said there had been discussion at past meetings about the approved groundwater bills that that would allow for the creation of groundwater management agencies. She stated that this legislation would not have much impact on San Mateo County but that she would confer with County Planning and County Counsel to verify that the County has no high-priority groundwater areas.

Public Comment: None.

**Correspondence from County Controller to San Mateo County Mosquito and Vector Control District**

Ms. Poyatos referred to the letter from Deputy Controller Shirley Tourel responding to inquiries from auditors regarding the Mosquito and Vector Control District She said the letter clarifies the County Controller’s role in preparing bank statements for independent districts that keep their funds with the County treasury. She noted that the letter also clarifies that the districts by their enabling legislation are responsible for their financial activities and the County is not responsible for how special district funds are spent.

Public Comment: None.

**Commissioner/Staff Reports**

Ms. Poyatos noted that Los Trancos County Water District is continuing to work with Midpeninsula Regional Open Space District, the County, and LAFCo on a plan for service that would provide for dissolution of the District and formation of the County Maintenance District. She said that the new District would be successor to the property tax revenue and those funds would be used for local programs and services such as enhanced fire protection and stormwater runoff management.

Public Comment: None.

Chair Craig asked about the schedule for doing the Harbor District MSR. Ms. Poyatos responded that a circulation draft would likely be available from the consultant in March 2015.

Chair Craig noted for the audience the transparency of the MSR process.

### **Adjournment**

The meeting was adjourned at 3:05 pm.