

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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Action Minutes San Mateo Local Agency Formation Commission Meeting March 16, 2022

Chair O'Neill called the Wednesday, March 16, 2022 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:38 pm via Zoom.

1. Roll Call

Members Present: Commissioners Joshua Cosgrove, Don Horsley, Ric Lohman, Harvey Rarback, Vice Chair Ann Draper, Chair Mike O'Neill.

Members Absent: Commissioner Slocum

Alternate Commissioner Jim O'Neill, Diana Reddy, and Kati Martin were also present in the audience.

Staff Present: Rob Bartoli, Interim Executive Officer
Timothy Fox, Legal Counsel
Angela Montes Cardenas, Commission Clerk

2. Public Comment for Items Not on the Agenda

None

3. Consent Agenda

a. Approval of Action Minutes: January 19, 20212

b. Resolution to make findings relating to remote meetings under the Brown Act

c. LAFCo File No. 22-01 – Proposed annexation of 1195 Westridge Drive, Portola Valley (APN 077-022-050) to West Bay Sanitary District

Commission Action: Commissioner Horsley moved to approve the consent agenda and Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Vice Chair Draper, Chair O'Neill. Absent: Commissioner Slocum)

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

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

STAFF: ROB BARTOLI, INTERIM EXECUTIVE OFFICER ▪ TIMOTHY FOX, LEGAL COUNSEL ▪ ANGELA MONTES, COMMISSION CLERK

4. Adjournment to Close Session

a. Public Employee Appointment Government Code Section 54957 Position Title: Executive Officer

Chairman O'Neill opened and closed the public comments. No comments were received. The Commission adjourned to Closed Session at approximately 2:42 pm.

5. Report out of Closed Session

The Commission reconvened in Open Session at approximately 2:49 pm. Tim Fox gave a verbal report from closed session. He stated that Commissioners unanimously voted to appoint Rob Bartoli as San Mateo LAFCo Executive Officer.

Chairman O'Neill opened and closed the public comment period. No comments were received.

6. Appointment of Executive Officer

Chairman O'Neill opened and closed the public comment period. No comments were received.

Commission Action: Commissioner Draper moved to appoint Rob Bartoli as San Mateo LAFCo Executive Officer. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Vice Chair Draper, Chair O'Neill. Absent: Commissioner Slocum.)

Mr. Bartoli thanked the Commission for their support in his new role. He said he looks forward to working with the Commission and that the year ahead will be busy but that it will also be productive.

7. Consideration of Municipal Service Review Circulation Draft for County Service Area 11 (Pescadero)

Mr. Bartoli presented the Municipal Service Review (MSR) for County Service Area 11. He began by summarizing to the public what a MSR is. He summarized the MSR for County Service Area 11 (CSA 11) and talked about the background and history of the District. He noted the key issues found with CSA 11 including:

- Water levels at CSA 11 well field are in decline
- Current water rates do not-support year-to-year operation of water system,

- There continues to be local efforts that look at future development in Pescadero,
- Constraints such as flooding and septic system requirements, water for fire flow and factors such as economic conditions, will continue to dictate how development within CSA 11 will occur. A number of efforts have been made to address flooding in the community
- Due to a small population base, cost of services for municipal water and solid waste collection are relatively high compared to other communities
- The county of San Mateo and CAL FIRE have been working on relocation of Station 59 within the Pescadero community. Any future expansion of the CSA 11 boundary to serve new fire station will be subject to LAFCo review and approval

He noted the MSR determinations and recommendations that were included in the draft circulated MSR.

-Growth and Population

- Growth may be limited by constraints
- Recommended that the County consider the preparation of an area or community plan for Pescadero
- County reevaluate the buildout projected in the LCP and General Plan for Pescadero

- Capacity and Adequacy of Public Facilities and Services

- The aquifer that CSA 11 wells rely on is considered to be in overdraft
- It is estimated that CSA 11 wells would still be able to provide water into the future
- CCSA 11 should continue to monitor water levels and develop long term plans for the continued operation of the CSA 11 water system
- If a community plan is created, the plan should explore how the CSA 11 system to meet fire flow and evaluate the financial costs to implement the project

- Financial Ability

- Current CSA 11 water rates do not support year-to-year operation of the water system and will continue to negatively impact the District's fund balance
- Recommended that County staff prioritize a review of the rates for CSA 11

- CSA 11 should identify long-term capital projects that will be needed and evaluate ways that project could be funded

He continued to share CSA Budget Summary for 2015-2020. He summarized other issues that were determined in the MSR.

Other issues include:

- The County should evaluate costs and solid waste rates for the Pescadero Transfer Station. Currently, rates for use of the transfer station do not cover cost of operations
- Students and staff at the Pescadero Middle/High School have been supplied bottled water since 2016 as the domestic well onsite does not currently meet regulatory standards
- The County, San Mateo RCD, and partner agencies have worked to address flood impacts in the Pescadero area. The county has also begun mapping sea level rise risks to the south coast of the County
- Shared Services
- Disadvantaged Unincorporated Communities
- Accountability, Structure and Efficiencies

Ms. Montes noted that Commissioner Slocum joined meeting at 2:59 pm.

Mr. Bartoli discussed the public outreach that LAFCo had conducted, including presenting at the Pescadero Municipal Advisory Council and comment period along with tentative hearing dates.

Commissioner Rarback asked about the use of septic systems in Pescadero. He inquired if there has been any studies about installing a public waste water system. In response to the question, Mr. Bartoli noted that there is no public wastewater system within CSA 11 or any areas in the south coast. He said that a study conducted by Public Works 2010s, referenced in the MSR, talks about creating wastewater system, but it was determined that it wasn't feasible due to financial issues.

Commissioner Horsley asked about the forthcoming annexation of the Pescadero Middle/High School property by CSA 11. Mr. Bartoli noted that extending CSA 11 to Pescadero High School site would require a separate hearing and application process. The

MSR is needed for any future Sphere of Influence change. He clarified that the County is working on the process but a formal application has not been submitted.

Commissioner Draper had several edits and suggestions to the MSR. She stated that the MSR uses the term urban rural boundary and also refers to it as the Urban/Rural boundary. She would like to see consistency in the term used and suggested adding a footnote on the term to describe it. Commissioner Draper also asked if the aquifer is over drafted, is land subsidence occurring. Her last comment was regarding adding more information the fund balance for CSA 11. She would like additional background on how the fund balance was created.

Commissioner Horsley stated he agreed with Commissioner Draper. He stated that studies have been done on CSA 11 before and he shared what life spans were given by the consultants of those studies. From what he has read and heard from the County, he did not believe that land subsidence was occurring in the aquifer.

In response to Commissioner Horsley comment, Commissioner Draper said that those additional studies were not mentioned in the report. She suggested that staff either use those reports or that those topics be addressed in the community plan. Mr. Bartoli clarified that studies from 2002, 2019, and 2021 were referenced in the MSR. He briefly summarized those studies and their focus.

Chairman O'Neill opened and public comment period.

Rita Mancera, Puente Executive Director, she said she was concerned about the future of the Pescadero community. She said that it's unacceptable that the Pescadero school receives bottled water since 2015 and that something has to be done. She said the community wants to find solutions for those that already living in shared housing. She said there must be a solution for rural communities like Pescadero. She asked if the application for annexation for CSA 11 would be denied.

Chairman O'Neill closed public comment.

Chairman O'Neill stated that this MSR will assist the Pescadero community to plan for the future.

Commission Action: Commissioner Horsley moved to direct Executive Officer to schedule final MSR for CSA 11 for public hearing at the May 18, 2022 Commission meeting and circulate it with any necessary amendments to the County, cities, and independent special districts. Commissioner Rarback seconded the motion which passed unanimously by roll call

vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

8. Consideration of Adoption of Proposed Work Program and Draft LAFCo Budget for Fiscal Year 2022-2023

Mr. Bartoli gave a verbal update to the Commission and summarized the report revised on March 15, 2022 included in the packet. He said that the proposed Fiscal Year 22-23 budget is \$768,143, a decrease of \$128,408. He noted that the one-third apportionment is \$173,795. He summarized that these reductions are as a result from salary reduction due to staffing changes.

Mr. Bartoli also presented the draft LAFCo Work Plan Summary to the Commission. He noted the upcoming and ongoing MSRs.

Commissioner Horsley said that he asked staff to conduct MSR on Broadmoor Police District and Harbor District. Chairman O'Neill agreed with Commissioner Horsley on conducting MSR for Broadmoor Police District due to the number of issues with the District. Mr. Bartoli clarified to the Commission that this could be a special study or updated MSR. Staff recommends special study for Broadmoor and will revise the Work Plan.

Commission Action: Commissioner Draper moved to direct Executive Officer to schedule the final 2022-23 Budget for a public hearing at the May 18, 2022 Commission meeting and circulate it with necessary amendments to the County, cities, and independent special districts. Commissioner Horsley seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

9. Appointment of Public Member Recruitment Committee

Mr. Bartoli gave a verbal update to the Commission. He noted that term for regular and alternate public member ends in May 2022. He summarized the process and policies for recruitment. He noted that the previous Recruitment Committee consisted of one City member, one County member, and one Special District member.

Commissioners Lohman, Horsley and Chairman O'Neill were nominated to the committee.

Commission Action: Commissioner Horsley moved to appoint Commissioners Lohman, Horsley and Chairman O'Neill to the Public Member Recruitment Committee. Commissioner Lohman seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

10. Legislative and Policy Committee

a. Adoption of CALAFCO Legislative Platform and Local LAFCo Platform

Mr. Bartoli summarized that at their November 12, 2021 meeting, the CALAFCO Board approved edits to its Legislative Policies. He noted that the attached 2021 policies support legislation that enhances LAFCo authority and power to carry out the Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act based on local conditions; support coordination for orderly development; oppose legislation that gives individual agencies special status or provides for circumvention of the LAFCo process; and include legislative priorities related to water availability, housing, climate change, and flood management. He said that the Legislative and Policy Committee met to review the CALFCO Legislative Policies on February 23, 2022. He said that the Committee did recommend the adoption of the CALAFCO Legislative Policies by the Commission, however, the Committee did have comments about the document and the legislative priorities of CALAFCO. He added that Committee members stated that the policies should continue to focus on areas such as water and agricultural/open space issues and that additional policy statements should be included in CALAFCO Legislative Policies documents.

Chairman O'Neill opened and closed public comment. No comments were received.

Commission Action: Commissioner Lohman moved to adopt the 2021 CALAFCO legislative policies. Commissioner Cosgrove seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

b. Legislative Report – Information Only

Mr. Bartoli summarized that CALAFCO is currently tracking 24 bills. He continued to summarize SB 938, AB 2957, SB 852 and AB 1640.

c. Letter of Support for SB 938

Chairman O'Neill opened and closed public comment. No comments were received.

Commission Action: Commissioner Horsley moved to approve the Letter of Support for SB 938. Vice Chair Draper seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

d. Letter of Support for AB 2957

Chairman O'Neill opened and closed public comment. No comments were received.

Commission Action: Commissioner Lohman moved to approved the Letter of Support for AB 2957. Commissioner Rarback seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Horsley, Lohman, Rarback, Slocum, Vice Chair Draper, Chair O'Neill.)

11. CALAFCO – Information Only

a. CALAFCO Quarterly Newsletter – February 2022

b. Update on CALAFCO Executive Director and CALAFCO Staff Workshop

Mr. Bartoli gave a verbal update to the Commission. He stated that the CALAFCO Board of Directors has appointed René LaRoche as the new Executive Director. He said that the outgoing Executive Director Pamela Miller will remain as a part-time consultant to CALAFCO through mid-March to assist with the transition.

He added that the CALAFCO Board of Directors have canceled the 2022 Staff Workshop, originally planned for March 23-25 in Newport Beach. He noted that registration was significantly lower than in previous years, which is believed to be related to concerns about traveling and in-person meetings during the on-going COVID-19 pandemic.

12. Commissioner/Staff Reports – Information Only

None

13. Adjournment

Chair O'Neill adjourned the meeting at 4:01 p.m.