



# LOCAL AGENCY FORMATION COMMISSION

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

## REGULAR MEETING

### AGENDA

Wednesday, March 18, 2026

2:30 pm

San Mateo County Board of Supervisors Chambers

500 County Center

Redwood City, CA 94063

This meeting of the San Mateo Local Agency Formation Commission (LAFCo) will be in person at 500 County Center Redwood City, CA 94063. Members of the public may participate in the meeting remotely via the Zoom platform or in person. For information regarding how to participate in the meeting, please refer to the instructions at the end of the agenda.

#### **Hybrid Public Participation**

The March 18, 2026, LAFCo regular meeting may be accessed through Zoom online at <https://smcgov.zoom.us/j/96442908061>. The webinar ID is 964 4290 8061. The meeting may also be accessed by telephone by dialing +1 669 900 6833 (local) and entering webinar ID then #. Members of the public may also attend this meeting physically in the Board of Supervisors Chambers at 500 County Center, Redwood City, CA 94063.

\* Written public comments may be emailed to [lafco@smcgov.org](mailto:lafco@smcgov.org), and should reference the specific agenda item on which you are commenting.

\* Spoken public comments will be accepted during the meeting in person or remotely through Zoom. Public comments via Zoom will be taken first, followed by speakers in person.

**\*Please see instructions for written and spoken public comments at the end of this agenda.**

#### **ADA Requests**

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact LAFCo staff as early as possible but no later than 10:00 a.m. the day before the meeting at [lafco@smcgov.org](mailto:lafco@smcgov.org). Notification in advance of the meeting will enable Staff to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

(OVER)

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT  
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

**ALTERNATES:** NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪  
DIANE ESTIPONA, CLERK

\*All items on the consent agenda may be approved by one roll call vote unless a request is made at the beginning of the meeting that an item be withdrawn. Any item on the consent agenda may be transferred to the regular agenda.

1. Roll Call and Oath of Office
2. Public Comment for Items Not on the Agenda and on the Consent Agenda
3. Consent Agenda\*
  - a. Approval of Action Minutes: January 21, 2026
  - b. Consideration of LAFCo File No. 26-01 – Proposed Annexation of 245 Shawnee Pass, Portola Valley (APN 077-331-080) to West Bay Sanitary District

#### Public Hearings

4. Consideration of Adoption of a Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District
5. Consideration of Adoption of Proposed Work Program and Draft LAFCo Budget for Fiscal Year 2026-2027

#### Regular Agenda

6. Public Member Recruitment Process, Appointment of Public Member Recruitment Committee and Adoption of Revised Public Member Alternate Public Member Policy
7. Consider approval of the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2024
8. CALAFCO -
  - a. Update from February 23, 2026 Special CALAFCO Special Corporate Business Meeting
9. Legislative and Policy Committee
  - a. Legislative Report – Information Only
10. Commissioner/Staff Reports – Information Only
  - a. Joint Power Agreements/Joint Power Authorities in San Mateo County
  - b. Update on LAFCo Commissioners' Terms for 2026
11. Adjournment

**\*Instructions for Public Comment During Teleconference Meetings**

During the LAFCo hybrid meeting, members of the public may address the Commission via

**a) Written Comment:** Written public comment may be emailed in advance of the meeting.

1. Written comment should be emailed to [lafco@smcgov.org](mailto:lafco@smcgov.org).
2. Email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is on the consent agenda, or is not on the agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Commission and made publicly available on the agenda website under the specific item to which your comment pertains. If emailed comments are received after 5:00 p.m. on the day before the meeting, the Clerk will make every effort to either (i) provide such emailed comments to the Commission and make such emails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Regardless of whether such emailed comments are forwarded and posted or are read during the meeting, they will still be included in the administrative record.

**b) Spoken Comment:**

In-Person Participation: If you wish to speak to the Commission, please fill out a speaker's slip located at the entrance. If you have anything that you wish distributed to the Commission and included in the official record, hand it to the Clerk who will distribute the information to the Commission members and staff.

Via Teleconference (Zoom):

1. Access the Commission meeting through Zoom online <https://smcgov.zoom.us/j/96442908061>. The webinar ID is 964 4290 8061. The Commission meeting may also be accessed via telephone by dialing +1 669 900 6833 (local). Enter the webinar ID, then press #.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the Commission Chair or Clerk calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak.

**\*Additional Information:**

For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members or a majority of the members of the Commission.

**NOTICE:** State law requires that a participant in a LAFCo proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify the commission staff before the hearing.

Agendas and meeting materials are available at [www.sanmateolafco.org](http://www.sanmateolafco.org)



# LOCAL AGENCY FORMATION COMMISSION

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## Action Minutes

### San Mateo Local Agency Formation Commission Meeting

January 21, 2026

The regular meeting of the San Mateo Local Agency Formation Commission (LAFCo) was held on Wednesday, January 21, 2026, at 2:30 pm in the San Mateo Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. Members of the public were also able to participate in the meeting remotely via Zoom.

#### Call to Order

The meeting was called to order at 2:30 p.m. by Chair Chang-Kiraly.

#### 1. Roll Call

Members Present: Commissioners Virginia Chang Kiraly, Kati Martin, Ann Draper, Stephen Rainaldi, and Debbie Ruddock

Members Absent: Commissioner Jackie Speier and David Canepa

Alternate Members Present: Katherine Slater-Carter, Greg Wright, and Colleen You (via Zoom)

Staff Present: Rob Bartoli, Executive Officer  
 Timothy Fox, Legal Counsel  
 Sarah Flamm, Management Analyst  
 Diane Estipona, Clerk

#### 2. Public Comment

None.

#### 3. Presentation by the City of East Palo Alto on the status of the East Palo Alto Sanitary District – Information Only

East Palo Alto City Manager/ East Palo Alto Sanitary District General Manager Melvin E. Gaines provided an update on developments following the reorganization of the East Palo Alto Sanitary District (EPASD). The presentation focused on the first year of EPASD operating as a City subsidiary district focused on stabilizing governance and operations, ensuring regulatory compliance, and the development of a capital improvement plan. .

#### Summary of Commission Comments

Commissioner Draper expressed her appreciation and stated that the presentation increased her confidence that EPASD is effectively serving the health and safety needs of existing East Palo Alto

residents, noting that much of the prior discussion had focused instead on serving potential new development.

Commissioner Martin echoed Commissioner Draper's appreciation for the presentation and inquired whether certain development projects would proceed, noting prior concerns from developers. City Manager Gaines responded that the transition timeline has slowed interest in some large projects, but communication remains ongoing and the City will move forward once timelines align.

Commissioner Rainaldi congratulated the City of East Palo Alto for streamlining EPASD's administrative functions, reducing reliance on consultants, and improving financial oversight. He inquired about maintaining rate sustainability to avoid large increases for ratepayers. Mr. Gaines responded that while rate increases are needed to support system adequacy for sewer improvements and new developments, a new rate study will allow for gradual increases. He added that new developer impact fees will cover new infrastructure, while existing infrastructure costs will be addressed through rates set by the advisory board.

Commissioner Ruddock also extended her congratulations, observing that the presentation highlighted a notable success.

Chair Vice Chang Kiraly asked if EPASD is prepared for flood-related incidents, such as the recent event in Bell Haven. Mr. Gaines confirmed that EPASD is equipped to respond, utilizing the Sewer Master Plan and CCTV network. She also echoed Commissioner Rainaldi's concern regarding rates, noting that future increases may impact residents of the former East Palo Alto district. Additionally, she praised the City of East Palo Alto Council's leadership in managing ongoing changes at EPASD and expressed gratitude to EPASD, echoing Commissioner Draper's comments.

Public Speakers: Ruben Abrica

#### **4. Consent Agenda**

- a) Approval of Action Minutes: November 19, 2025
- b) Time Extension for LAFCo File No. 19-03 - Proposed Annexation of 252 Club Drive, Unincorporated San Mateo County (APN 049-050-050) to the City of San Carlos
- c) Consideration of LAFCo File No. 25-12 - Proposed Outside Service Agreement for water by the City of Redwood City to 3699 Oak Knoll Dr. (APN: 068-063-020), Unincorporated Redwood City

#### **Commission Action**

The Commission approved the consent agenda. Commissioner Draper noted that item 4B represents a fourth one-time extension and asked about potential limits on extensions, given that City laws and regulations can change. Mr. Bartoli stated that there are no limits on extensions and that LAFCo staff is assisting the applicant in fulfilling conditions for approval,

noting that a building permit for certain modifications must be submitted before the full annexation application can proceed.

Public Speakers: None.

Motion: Commissioner Rainaldi/ Second: Commissioner Ruddock

Ayes: Commissioners Rainaldi, Martin, Ruddock, Draper, and Chang-Kiraly

Motion passed 5-0 by roll call vote.

### **Public Hearings**

#### **5. Consideration of Final Municipal Service Reviews for the Town of Woodside and the Town of Portola Valley**

The Commission received a presentation from LAFCo staff, who reported that this is the final MSR for both the Town of Portola Valley and the Town of Woodside. The draft was previously presented at the November LAFCo meeting, followed by presentations at Town Council meetings in December, and a virtual workshop in January to gather public input. Comments on the Town of Woodside MSR were received from the San Mateo County Department of Public Works, while comments on the Town of Portola Valley MSR came from Rebecca Flynn (Town Council Member), Betsy Morgenthaler (resident and Open Space Committee Chair), and Emily Rubin (Intern to Vice Mayor Hufty).

LAFCo staff presented an overview of the Woodside MRSs. The Commission was informed that the Town of Woodside is initiating a sanitary sewer master plan for the existing sewer areas of Town Center and Redwood Creek, with LAFCo staff expressing support for these efforts. LAFCo staff also encouraged the Town to hold regular meetings with FOSMD and the County to discuss sewer expansion, review existing connections, and monitor sewage flows to ensure they remain within contracted limits.

Regarding recent annexations to the Fair Oaks Sewer Maintenance District (FOSMD), LAFCo staff noted efforts to streamline the process with the Town and County. Previously, County-led annexations required two public hearings, but under LAFCo, only one hearing is necessary. Conversations will continue to identify further process improvements.

The Commission was briefed on the recommendations for Portola Valley's final MSR. LAFCo staff expressed support for the Town's efforts to identify new potential revenue sources and encouraged continued exploration of revenue and expenditure options related to the General Fund to achieve a balanced annual budget.

### **Summary of Commission Comments**

Commissioner Martin, referring to the comments received, asked whether parameters, such as a defined timeframe, could be set for the Town Council to provide key financial updates. LAFCo staff responded that the Town is responsible for establishing an updated schedule, as the Council will continue to request regular financial reports from Town staff. Commissioner Draper added that future updates could be addressed within the Work Program, which is managed by the Budget Committee, and does not need to be included in the final MSR.

Commissioner Rainaldi recommended opening the meeting for public comments to address any questions. He also asked whether the Town of Portola Valley has consulted with elected officials regarding the Housing Element and whether funds invested in infrastructure studies are in compliance. Assistant Town Manager Stocker-Pedalino confirmed that the Housing Element is certified, and that the Mayor and Vice Mayor are in ongoing contact with local officials. The Town has also hired consultants to conduct feasibility studies to ensure continued housing compliance.

Commissioner Ruddock inquired about potential new funding sources for the Towns of Woodside and Portola Valley, noting that revenues are largely limited to property taxes, with only minimal sales tax revenues, and asked about options to improve fiscal sustainability. LAFCo staff responded that indeed, both towns rely primarily on property taxes, but Portola Valley has developed a matrix to evaluate various revenue sources, including a revised Utility User Tax and personal taxes, and is considering property transfer tax adjustments in connection with becoming a charter city due to its smaller size. Commissioner Ruddock expressed support for Portola Valley's transition to a charter city and noted that both towns could benefit from shared services.

Chair Chang Kiraly asked how the Commission can stay informed about relevant changes in both towns outside of the MSR process. LAFCo staff responded that the Commission could engage in ground-level discussions, such as revenue measures, but updates on governance options or boundary changes must be provided by the City.

Public Speakers: Corei Stocker-Pedalino, Jason Ledbetter and Mary Hufty.

### **Commission Action**

The Commission accepted the Final Municipal Service Review and Sphere of Influence update and adopted the report's determinations and recommendations.

Motion: Commissioner Draper / Second: Commissioner Ruddock

Ayes: Commissioners Rainaldi, Martin, Ruddock, Draper, and Chang-Kiraly

Motion passed 5-0 by roll call vote.

## **Regular Agenda**

### **6. Appointment of Budget and Legislative/Policy for 2026**

The Commission received a request from LAFCo staff to appoint members to the Budget and Legislative/Policy Committees. Each committee consists of three members representing a mix of LAFCo membership types: County, City, Special District, and Public.

The 2025 Budget Committee provided guidance to staff in preparing the Commission's 2025–26 fiscal year budget, Work Program, and reviewed the independent audit for 2024. The 2025 Budget Committee members were Commissioners Chang Kiraly, Draper, and Wright.

The 2025 Legislative/Policy Committee met as needed to advise staff on pending legislation affecting LAFCo, review existing Commission policies, and recommend new policies. A recent highlight included the development of a new MSR policy in 2025 addressing public access and remote participation in government meetings. The members were Commissioners Ruddock, Rainaldi, and Martin.

### **Commission Action**

The Commission appointed Commissioners Wright, Slater-Carter, Vice Chair Draper, and Chair Chang Kiraly to the 2026 Ad Hoc Budget Committee, and Commissioners Ruddock, Rainaldi, and Martin to the 2026 Ad Hoc Legislative/Policy Committee.

Motion: Commissioner Ruddock / Second: Commissioner Rainaldi

Ayes: Commissioners Rainaldi, Martin, Ruddock, Draper, and Chang-Kiraly

Motion passed 5-0 by roll call vote.

### **7. CALAFCO Conference Update – Information Only**

#### **7a. Review of Draft Regional Map Revision & Proposed New CALAFCO Board Structure**

The Commission received the first part of the CALAFCO update which reviewed remapping and Board restructuring. Mr. Bartoli reported that over the past year, the CALAFCO Board of Directors has been reviewing current bylaws and the structure of the Board. A working group was formed to evaluate the Board structure, regional model, and potential opportunities for improvements. Draft comments were provided to CALAFCO by LAFCo staff.

The CALAFCO Board changes original included permitting Executive Officers become eligible to be elected to the Board from their respective region, removing Regional Officers from voting Board Members, removing commissioner "seat type" so that the most qualified commissioner candidates may be elected by their respective regions, regardless of the category of membership

in their home LAFCo (i.e. county, city, special district, public) limiting Member LAFCo's to one Board Member representative at any given time, and regional map changes. However, CALAFCO is now only proposing changes to seat type, allowing Executive Officers to be voting members and removing Regional Officers as voting members.

The upcoming special meeting on February 23 will focus solely on Executive Officer eligibility and removal of the seat-type requirement. Broader regional and governance discussions were provided for informational purposes only, and no action is required at this time.

### **Summary of Commission Comments**

Chair Chang Kiraly provided background on the regional structure, noting that due to the varying sizes of regions, the current structure does not adequately serve the needs of all LAFCos. She explained that larger regions face challenges in caucusing, while smaller regions require less governance. Overall, CALAFCO is seeking ways to be more effective as an organization.

Commissioner Ruddock asked whether CALAFCO's introduction of more complexities due to remapping will increase accountability. LAFCo staff added that the February meeting will determine the CALAFCO Board seat types and the election of Executive Officers from the four regions.

Commissioner Draper commented that she supports the division into smaller regions, noting that it allows areas with similar issues to address shared interests more effectively than in larger regions, such as the Central Coast.

The Commission held a discussion on the proposed by-law changes and gave general direction to the voting delegate to not support the by-law changes.

### **7b. Designation of voting member for CALAFCO 2026 Special Corporate Business Meeting**

The Commission received the second part of the CALAFCO update. The Chair of the CALAFCO Board of Directors has scheduled a Special Corporate Business Meeting for Monday, February 23, 2026, at 10 a.m., during which several proposed changes to the CALAFCO Bylaws will be reviewed and voted upon.

Prior to the Special Business Meeting, each LAFCo is asked to nominate a voting member. This process is similar to the voting delegate designation for the CALAFCO Board Election at the annual CALAFCO Conference, where the current LAFCo Chair is typically designated as the voting delegate, and an additional Commissioner is appointed as an alternate. LAFCo staff recommended following a similar process for San Mateo LAFCo to designate a voting member and alternate for the 2026 Special Corporate Business Meeting.

Additionally, the Commission was advised to appoint a voting delegate and alternate for any future special CALAFCO Corporate Business Meetings in 2026.

### **Commission Action**

The Commission appointed Chair Chang Kiraly as the voting delegate and Vice Chair Draper as the alternate for the CALAFCO 2026 Special Corporate Business Meeting, as well as for any future CALAFCO special meetings in 2026.

Motion: Commissioner Rainaldi / Second: Vice Chair Draper

Ayes: Commissioners Rainaldi, Martin, Ruddock, Draper, and Chang-Kiraly

Motion passed 5-0 by roll call vote.

### **8. Quarterly LAFCo Budget Update – Information Only**

The Commission received the Fiscal Year 2025–2026 budget update; revenue and expenditure targets have been met, with no concerns noted.

### **9. Legislative Report – Information Only**

LAFCo staff reported that CALAFCO is not tracking any new bills and the agenda packet included the 2024–2025 legislative summary from the California Senate Committee on Local Government. Chair Chang-Kiraly noted that, as a member of CALAFCO’s legislative committee, she will also keep the Commission informed of any new legislation. Additionally, Vice Chair Draper requested that SB 322 be clarified the next time the topic is discussed.

### **10. Commissioner/Staff Reports – Information Only**

No updates were provided by LAFCo staff.

### **11. Adjournment**

The Commission adjourned at 4:53 PM.

Approved on January 21, 2026

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Virginia Chang Kiraly, Chair

Local Agency Formation Commission of the County of San Mateo

Prepared by: \_\_\_\_\_  
Diane Estipona, LAFCo Clerk

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**March 11, 2026**

**To:** LAFCo Commissioners  
**From:** Rob Bartoli, Executive Officer  
 Sarah Flamm, Management Analyst

**Subject:** Consideration of LAFCo File No. 26-01 – Proposed Annexation of 245 Shawnee Pass, Portola Valley (APN: 077-331-080) to West Bay Sanitary District

## Summary

This proposal, submitted by landowner petition, requests annexation of 245 Shawnee Pass, Portola Valley (APN: 077-331-080) to West Bay Sanitary District and connection to the District's sewer main. The property owners of this single-family home will remove the existing septic tank and leach field once the property is connected to the District's wastewater collection system. The proposal has 100 percent landowner consent and waiver of conducting authority proceedings is also requested. Commission approval is recommended.

## Departmental Reports

*County Assessor:* The total net assessed land valuation for the parcel (APN: 077-331-080) shown in the County Assessor records is \$1,633,017. The boundaries of the annexation as proposed conform to lines of assessment and ownership.

*County Clerk:* The territory has two registered voters. If the annexation is approved, the parcel would need to be assigned to a precinct that includes West Bay Sanitary District.

*County Environmental Health:* The California Water Service Company and West Bay Sanitary District provide the available water and sewer service in the area. Upon connection to WBSD, the existing onsite wastewater treatment system must be properly destroyed under permit from Environmental Health.

*Town of Portola Valley:* The Town's General Plan designation is Residential Estate. The Town staff report that the proposed annexation is compatible with the Town's General and Specific Plans and recommends approval.

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT  
 ▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

**ALTERNATES:** NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪  
 DIANE ESTIPONA, CLERK

*West Bay Sanitary District:* Currently, there is a grinder type pump force main located in front of the property along Shawnee Pass that needs to be extended by approximately 90 feet to 245 Shawnee Pass to serve the parcel. The proposal is compatible with adopted plans for extending services. The applicant will need to apply for a Class 3 Sewer Permit to extend the existing force main to the front of the property and a Class 5 Sewer Permit for Septic Tank Effluent Pump (STEP) and Grinder systems. Annexation to the On-Site Wastewater Disposal Zone (ZONE) is required.

### **Executive Officer's Report**

This proposal has been submitted by landowner petition. The territory proposed for annexation is located at 245 Shawnee Pass (APN: 077-331-080), Portola Valley. The property is proposed to connect to an existing sewer force main located in front of 254 Shawnee Pass that needs to be extended to the property. The annexation area is within the sphere of influence of West Bay Sanitary District adopted by the Commission in 1984 and is consistent with the District's plans for extending service. Approval of the annexation is recommended.

### **Annexation to the On-Site Wastewater Disposal Zone**

Sections 6960.3 and 6974 of the Health and Safety Code governing sanitary districts require LAFCo approval for formation of, or annexation to, an On-site Wastewater Disposal Zone (Zone) in counties in which LAFCo has added special district members to the Commission and adopted Rules and Regulations Affecting the Functions and Services of Independent Special Districts. West Bay Sanitary District operates a Zone within its jurisdiction to maintain pumping systems where gravity flow to the sewer main is not possible. Annexation of these properties to the Zone is necessary for the District to maintain the pumping system that will be constructed as part of the sewer connection. Staff recommends approval of annexation to the Zone.

### **California Environmental Quality Act**

The proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) exempt under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities).

### **Waiver of Conducting Authority Proceedings**

Section 56662(a) of the Cortese-Knox-Hertzberg (CKH) Act specifies that the Commission may waive conducting authority proceedings for annexations of uninhabited territory with 100 percent landowner consent provided that no objection is submitted by subject property owners or voters. The purpose of the conducting authority proceedings is to measure landowner or voter protest within the affected territory. The landowners have requested, and staff recommends waiver of conducting authority proceedings.

### **Recommended Commission Action**

By resolution, approve LAFCo File No. 26.01 – Proposed Annexation of 245 Shawnee Pass, Portola Valley (APN: 077-331-080) to West Bay Sanitary District subsequent annexation to the On-site Wastewater Disposal Zone and Waiver of Conducting Authority Proceedings.

**Attachments**

- A. Annexation Application for 245 Shawnee Pass, Portola Valley (APN: 077-331-080) to West Bay Sanitary District
- B. Vicinity Map
- C. Resolution No. 1348

cc: Sergio Ramirez and Mark Robert Robles, West Bay Sanitary District  
Emily Lane, Town of Portola Valley  
Gregory Smith, San Mateo County Environmental Health  
Chephren Goree, San Mateo County Clerk  
Andrew Smith, San Mateo County Assessor  
Todd and Marjel Scheuer, Property Owners

**APPLICATION FOR A CHANGE OF ORGANIZATION, REORGANIZATION, OR OUTSIDE SERVICE AGREEMENT TO THE SAN MATEO LOCAL AGENCY FORMATION COMMISSION**

**A. GENERAL INFORMATION**

- 1. Briefly describe the nature of the proposed change of organization, reorganization, or outside service agreement.

To establish sanitary sewer service and annex the property (245 Shawnee Pass. Portola Valley, CA. APN# 077-331-080) into the West Bay Sanitary District sewer system.

- 2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

Landowners or registered voters, by petition  
 An affected public agency, by resolution

**(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)**

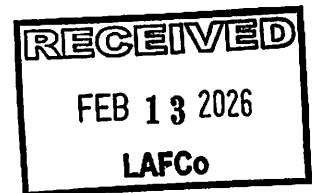
- 3. What are the reasons for the proposal?

The applicant intends to connect the existing single family residence to the West Bay Sanitary District sewer system.

- 4. Does this application have 100% consent of landowners in the affected area?

Yes  No

- 5. Estimated acreage: 1.076 AC



**B. SERVICES**

- 1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

West Bay Sanitary Sewer District

- 2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none")

if service is not now provided), the proposed source of service and the source of funding for construction of necessary facilities (if any) and operation. Example is given on the first two lines of the space provided for your response.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
<i>Police (example)</i>	<i>Co. Sheriff</i>	<i>City Police</i>	<i>N/A</i>	<i>Taxes</i>
<i>Sewer (example)</i>	<i>None</i>	<i>City of . . .</i>	<i>Proponent</i>	<i>Fees</i>
<i>Sewer</i>	<i>Onsite Septic System</i>	<i>WBSD</i>	<i>Owner</i>	<i>Fees</i>

**C. PROJECT PROPOSAL INFORMATION**

1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads and topographical features.

The property is located on Shawnee Pass, near the intersection of Cervantes Road in Portola Valley.

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2. Describe the present land use(s) in the subject territory.

Residential

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3. How are adjacent lands used?

North: Single-Family, residential property

South: Single-Family, residential property

East: Single-Family, residential property

West: Single-Family, residential property

4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?

There is already an existing residence built at the property

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5. What is the general plan designation of the subject territory?

Residential

6. What is the existing zoning designation of the subject territory?

R1001

7. What rezoning, environmental review or development approvals have already been obtained for development in the subject territory?

N/A

8. What additional approvals will be required to proceed?

Town of Portola Valley + West Bay Sanitary District

9. Does any portion of the subject territory contain any of the following --agricultural preserves, sewer or other service moratorium or wetlands subject to the State Lands Commission jurisdiction?

No

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

N/A

\* \* \* \* \*

LAFCo will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed to the proponent at:

NAME: Todd Scheuer (The Scheuer Family 2011 Trust)

EMAIL: tscheuer245@gmail.com

ADDRESS: 245 Shawnee Pass. Portola Valley, CA.

TELEPHONE: 415.244.3567

ATTN:

Applica\_blk.doc  
(10/6/2000)



Signature of Proponent





0.07 0 0.04 0.07 Miles

WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
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THIS MAP IS NOT TO BE USED FOR NAVIGATION

## RESOLUTION NO. 1348

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS, APPROVING LAFCO FILE 26-01 -  
ANNEXATION OF 245 SHAWNEE PASS, PORTOLA VALLEY (APN 077-331-080)  
TO THE WEST BAY SANITARY DISTRICT AND THE ON-SITE WASTEWATER DISPOSAL ZONE, AND  
WAIVING CONDUCTING AUTHORITY PROCEEDINGS**

**RESOLVED**, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

**WHEREAS**, a proposal for the annexation of certain territory to the West Bay Sanitary District in the County of San Mateo was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

**WHEREAS**, the Executive Officer has reviewed the proposal and prepared a report, including the recommendations thereon, the proposal and report having been presented to and considered by this Commission; and

**WHEREAS**, it appears to the satisfaction of this Commission that all owners of the land included in the proposal consent to the proceeding; and

**WHEREAS**, a public hearing by this Commission was held on the proposal and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

**WHEREAS**, the proposal is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15319(a) & (b) (Annexations of Existing Facilities and Lots for Exempt Facilities); and

**NOW, THEREFORE**, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. This proposal is approved, subject to the following conditions: None.

Section 2. The boundaries as set forth in the application are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.

Section 3. The territory consists of 1.07 acres, is found to be "uninhabited," and is assigned the following distinctive short form designation: Annexation of 245 Shawnee Pass, Portola Valley to the West Bay Sanitary District.

Section 4. Conducting authority proceedings are hereby waived in accordance with Government Code Section 56662(a) and this annexation is hereby ordered.

Section 5. Subsequent annexation to the On-Site Wastewater Disposal Zone is hereby approved.

Regularly passed and adopted this \_ day of \_\_\_\_\_.

Ayes and in favor of said resolution:

Commissioners:

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\_\_\_\_\_

Noes and against said resolution:

Commissioner(s):

\_\_\_\_\_

Absent and/or Abstentions:

Commissioner(s):

\_\_\_\_\_

\_\_\_\_\_

Chair  
 Local Agency Formation Commission  
 County of San Mateo  
 State of California

ATTEST:

\_\_\_\_\_

Roberto Bartoli  
 Executive Officer  
 Local Agency Formation Commission

Date: \_\_\_\_\_

I certify that this is a true and correct copy of the resolution above set forth.

\_\_\_\_\_

Clerk to the Commission  
 Local Agency Formation Commission

Date: \_\_\_\_\_

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

## Staff Report

March 11, 2026

**To:** LAFCo Commissioners  
**From:** Rob Bartoli, Executive Officer  
 Sarah Flamm, Management Analyst

**Subject:** Adoption of Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District

### Summary

There are three types of municipal agencies that provide sewer service in the County of San Mateo: cities, independent districts, and dependent districts. LAFCo is the agency to review and make determinations about proposed boundary or governance changes for these providers, including San Mateo County governed “dependent” districts.

The County has two governance structures for dependent sewer districts: County Sanitation Districts (i.e. Crystal Springs, Devonshire, and Scenic Heights) and Sewer Maintenance Districts (i.e. Burlingame Hills, Edgewood, Emerald Lake Heights, Fair Oaks, Harbor Industrial, Kensington Square, and Oak Knoll). Historically, LAFCo has only processed changes and established Spheres of Influence for the County Sanitation Districts and not the Sewer Maintenance Districts, even though both types of agencies provide similar services, and both are considered districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. For Sewer Maintenance District changes, these historically have been processed by the San Mateo County Department of Public Works (DPW), with the San Mateo County Board of Supervisors as the reviewing body.

Over the last year, LAFCo and DPW staff met to discuss possible changes to the approval process related to Sewer Maintenance Districts. DPW and LAFCo have agreed to have LAFCo process boundary and governance changes related to Sewer Maintenance Districts as this allows for a more streamlined process for applicants, enhanced review authority for the County, consistency with LAFCo law, and efficiency gains for County staff time.

Each of the Sewer Maintenance Districts requires the establishment of a Sphere of Influence (SOI) from LAFCo, as these Districts currently lack any SOI designation. The item before the Commission today is the adoption of a Provisional SOI for the Fair Oaks Sewer Maintenance

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT • ANN DRAPER, VICE CHAIR, PUBLIC • DAVID CANEPA, COUNTY • KATI MARTIN, SPECIAL DISTRICT • STEPHEN RAINALDI, CITY • DEBBIE RUDDOCK, CITY • JACKIE SPEIER, COUNTY  
**ALTERNATES:** NOELIA CORZO, COUNTY • KATHRYN SLATER-CARTER, SPECIAL DISTRICT • GREG WRIGHT, CITY • COLLEEN YOU PUBLIC •  
**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER • SARAH FLAMM, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL • DIANE ESTIPONA, CLERK

District (FOSMD). The proposed SOI for FOSMD would include territory that already has been identified by the Town of Woodside and FOSMD as being eligible for sewer services.

## **Background**

### ***Previous Annexation Process***

San Mateo County currently operates ten sewer districts (i.e. Dependent Districts). Three of these districts were formed as County Sanitation Districts<sup>1</sup> and seven were formed as Sewer Maintenance Districts<sup>2</sup>.

The County Sanitation Districts include: the Crystal Springs County Sanitation District (est. 1947), Scenic Heights County Sanitation District (est. 1949), and the Devonshire County Sanitation District (est. 1956). These districts provide sewer services to properties in the unincorporated bayside area and have agreements with neighboring cities for transmission and treatment of wastewater generated within the District boundaries.

Historically, San Mateo LAFCo has reviewed County Sanitation District actions the same as cities and other districts under LAFCo jurisdiction; establishing Spheres of Influence (SOIs) and processing boundary changes.

The seven other sewer districts operated by San Mateo County were formed as Sewer Maintenance Districts: the Burlingame Hills Sewer Maintenance District (est. 1935); Fair Oaks Sewer Maintenance District (est. 1938); Emerald Lake Heights Sewer Maintenance District (est. 1947); Harbor Industrial Sewer Maintenance District (est. 1951); Kensington Square Sewer Maintenance District (est. 1956); Oak Knoll Sewer Maintenance District (est. 1957); and Edgewood Sewer Maintenance District (est. 2004). These districts provide sewer services to properties in the unincorporated bayside area (and in the case of FOSMD, four incorporated cities), and have agreements with neighboring cities for the transmission and treatment of wastewater generated within the District boundaries.

Historically, Sewer Maintenance District boundary changes were processed by the County Department of Public Works (DPW) and then acted upon by the County Board of Supervisors as the governing body. In the case of Sewer Maintenance District annexations, the County required two noticed public hearings and DPW was required to prepare the application materials, including a map and geographic description of the annexation area.

### ***Revised Annexation Process***

LAFCo staff, LAFCo Counsel, and County DPW staff reviewed the current process for County Sanitation Districts and Sewer Maintenance Districts and concluded that LAFCo assuming the responsibility of processing boundary changes for Sewer Maintenance Districts would be beneficial to the County and to applicants. DPW still reviews and comments on actions affecting sewer maintenance districts via the LAFCo referral process, following a similar process for reviewing engineering documents. The DPW review is important, as DPW must determine if it has sufficient treatment capacity to allocate to any additional development (i.e. annexations),

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<sup>1</sup> Enabling act: Section 4700 et seq. of the CA Health and Safety Code

<sup>2</sup> Enabling act: Section 4860 et seq. of the CA Health and Safety Code or Section 5820 et seq. of the CA Streets and Highways Code

and whether any action is aligned with pertinent district principle act guidelines. DPW still sends any required agreements to the BOS for approval.

Sewer service has been a part of many recent LAFCo discussions and reports over the last few years. Cities and towns, such as Woodside and Portola Valley are determining how to achieve their state-mandated Regional Housing Needs Allocation (RHNA) numbers. As identified in the Municipal Service Reviews for these agencies, sewer service will likely be needed to meet service demand for many of the potential housing developments. Typically, private onsite septic systems are unable to accommodate increased density as they have restrictive capacity limits, require valuable lot space, and also experience failure.

Given the need to coordinate between multiple agencies regarding expanding public sewer services in San Mateo County, LAFCo staff and legal counsel reviewed CKH and determined it was appropriate and within LAFCo authority<sup>3</sup> to systematically review all proposed boundary changes to both County Sewer Districts and Sewer Maintenance Districts.

Under the new process, LAFCo is the conducting authority for boundary changes (e.g. annexations, detachments, etc.) to the following sewer agencies:

The Burlingame Hills Sewer Maintenance District (est. 1935); Fair Oaks Sewer Maintenance District (est. 1938); Emerald Lake Heights Sewer Maintenance District (est. 1947); Harbor Industrial Sewer Maintenance District (est. 1951); Kensington Square Sewer Maintenance District (est. 1956); Oak Knoll Sewer Maintenance District (est. 1957); and Edgewood Sewer Maintenance District (est. 2004)

Annexations must be consistent with an agency's SOI —the probable physical boundaries of a service area—in reviewing application for annexation to the district, or any other actions, to ensure sewer services are logically extended.

### **Sphere of Influence for County Sewer Maintenance Districts**

With the revisions to the annexation process, LAFCo will be the conducting authority for annexation applications into County Sewer Maintenance Districts (i.e. dependent districts). It is necessary to assign Spheres of Influence for each District. Today, we consider a provisional<sup>4</sup> SOI for FOSMD, the largest of the ten County-governed sewer districts.

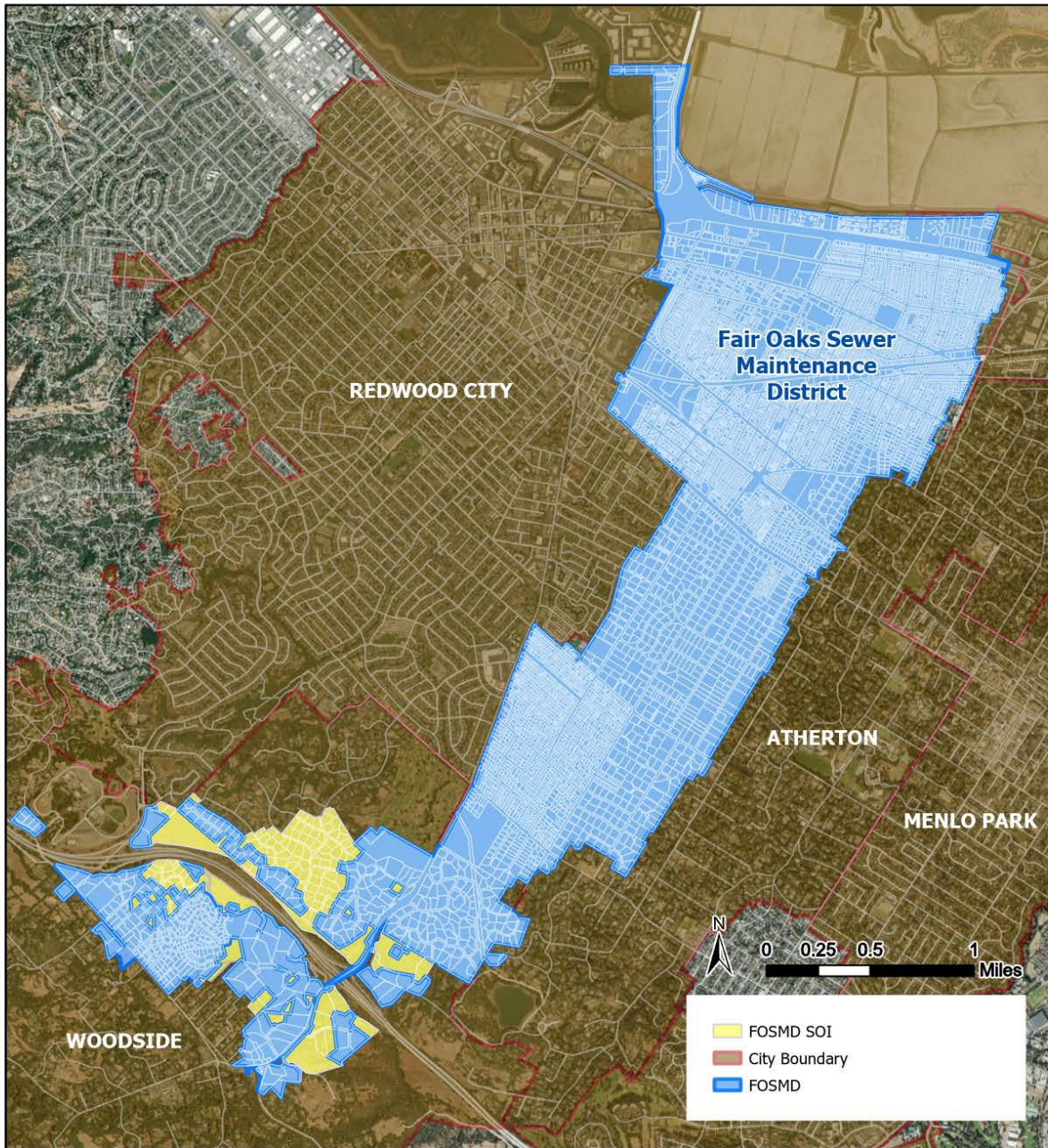
The existing boundaries of FOSMD include portions of Woodside, Atherton, Menlo Park, Redwood City, and unincorporated County.

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<sup>3</sup> Relevant CKH chapters include: **56036.5. (a)**, **56036.6. (a-b)**, **56100. (a-b)**, and **56119**.

<sup>4</sup> "Provisional" because the Town of Woodside and the County are in ongoing conversation regarding existing and future capacity to treat any new sewer connections. The Town of Woodside is preparing a sewer study. See San Mateo LAFCo's January 2026 Municipal Service Review for the Town of Woodside for more discussion on this topic.  
LAFCo Meeting Packet Page 26

Figure 1. Fair Oaks Sewer Maintenance District SOI Map



***Fair Oaks Sewer Maintenance District Sphere of Influence***

In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- (1) The present and planned land uses in the area, including agricultural and open-space lands.
- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Establishment of a Provisional Sphere of Influence: The current boundaries of the Fair Oaks Sewer Maintenance District (FOSMD) encompass portions of Woodside, Atherton, Menlo Park, Redwood City, and unincorporated County.

In 1968, the Town of Woodside formed an assessment district, the Redwood Creek Trunk Assessment District (RCAD). Per the Town's General Plan, the RCAD was primarily formed because of health and safety concerns that existed within Woodside Glens, which had a history of failing septic systems dating back to 1959. RCAD is not an operational sewer district but instead is a funding mechanism for the construction of a sewer system within the Redwood Creek and Glens areas of the Town. To provide sewer services to parcels within the RCAD, the Town of Woodside and FOSMD entered into an agreement in 1968 that would allocate 150,000 gallons per day of treatment and flow capacity to RCAD. The capacity was based upon an estimated 250 gallons per day per household use. Approximately 573 assessments were originally levied, with 182 in the Glens and 391 outside of the Glens. The Town-constructed facilities are maintained and operated by the FOSMD, and parcels that are serviced by FOSMD within the RCAD area are annexed to FOSMD.

In recent years, parcels that were not within the original boundaries of the RCAD have been included in the service area and annexed to FOSMD. In order for these parcels to receive service, the Town transferred sewer capacity rights from parcels that are owned by the Town within the RCAD to privately owned parcels requesting service. These Town-owned parcels have multiple sewer connection assessments which allows for the transfer of these connections to other parcels seeking to connect to the FOSMD system.

The Provisional Sphere of Influence for FOSMD is proposed to include parcels in the Town of Woodside that are within the RCAD but have not yet been annexed to FOSMD. The SOI in the rest of FOSMD would be coterminous with the FOSMD boundaries. The Provisional SOI would be reviewed in the FY2028-29 MSR/SOI review cycle.

In adopting a SOI amendment, Section 56425(e) of the Cortese-Knox-Hertzberg Act requires that the Commission consider the following factors and prepare a written statement of determination:

*1) The present and planned land uses in the area, including agricultural and open-space lands:* Land uses within the FOSMD are varied and include residential, commercial, and industrial uses. The existing boundaries, including highly urbanized uses and no open space or agricultural lands are within the boundaries.

*2) The present and probable need for public facilities and services in the area:* There will be continued need to provide sewer service within the boundaries of FOSMD and in the SOI. Within the proposed SOI there are 18 vacant parcels and approximately 100 developed properties with single family homes. These areas are within the Redwood Creek Assessment District and FOSMD, the County, and the Town of Woodside have identified these areas for annexation to FOSMD. The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI.

*3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:* The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI. The District's present capacity for public facilities and services is adequate.

*4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency:* None.

*5) Present and probable need for water, wastewater, and structural fire protection facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence:* There are no disadvantaged unincorporated communities (DUCs) within the FOSMD service area.

Nature, Extent and Location of Services Provided by the District: A Sphere of Influence amendment requires that LAFCo establish the nature, extent and location of services provided by the District. FOSMD is administered by the County of San Mateo Public Works Department and governed by the San Mateo County Board of Supervisors.

The District was formed in 1939 and includes territory in portions of Woodside, Atherton, Redwood City, Menlo Park and unincorporated areas including North Fair Oaks. The district has 81 miles of pipelines and over 7,000 connections. Effluent flows to the Silicon Valley Clean Water wastewater treatment plant in Redwood City under an agreement between the District and the City of Redwood City for both sewer treatment capacity and for transmission of effluent through the City's sewer system.

As an enterprise district, the primary revenue source is sewer fees that are assessed on the property tax bill of parcels within the District. FOSMD has an agreement with the City of Redwood City for 2.5 million gallons per day of wastewater generated by FOSMD to be treated at the Silicon Valley Clean Water wastewater treatment plant.

California Environmental Quality Act: The establishment of a Sphere of Influence is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or

major disturbance to an environmental resource. The Sphere of Influence collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study. Any future annexation proposals will be reviewed when they come before LAFCo.

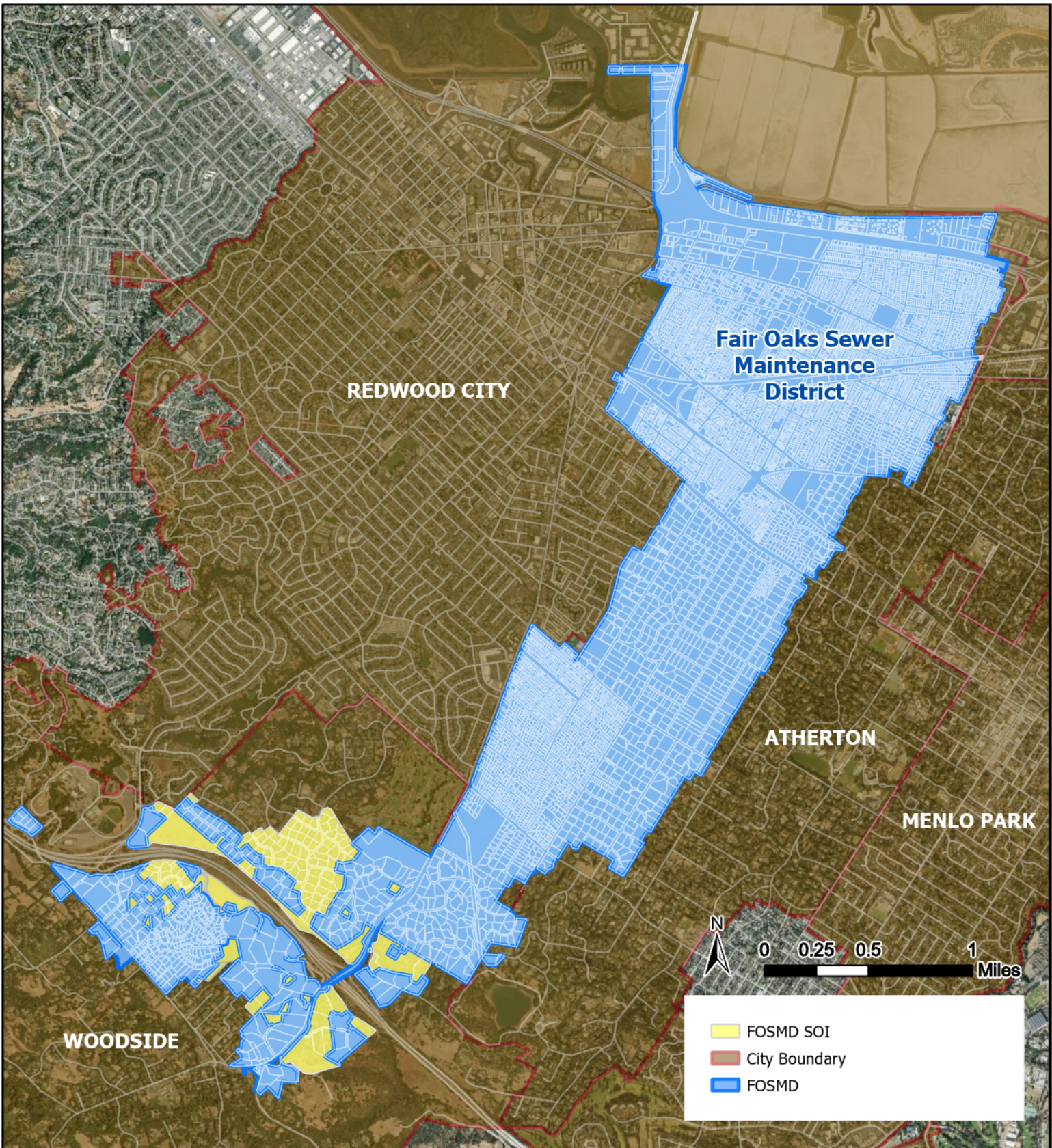
The Sphere of Influence is also exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

**Recommended Commission Action**

By resolution, approve the Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District.

**Attachments**

- A. Sphere of Influence Maps
- B. Resolution No. 1349

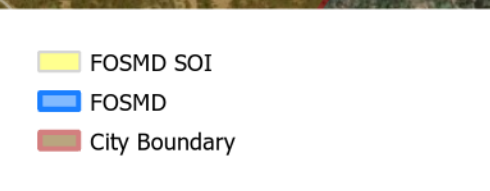
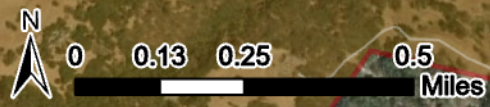


## Fair Oaks Sewer Maintenance District Sphere of Influence

REDWOOD CITY

WOODSIDE

Fair Oaks Sewer Maintenance District



### *Fair Oaks Sewer Maintenance District Sphere of Influence*



## RESOLUTION NO. 1349

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE  
SECTION 56425 ESTABLISHING A PROVISIONAL SPHERE OF INFLUENCE FOR THE FAIR OAKS  
SEWER MAINTENANCE DISTRICT**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that:

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

**WHEREAS**, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

**WHEREAS**, the Executive Officer prepared a written report of the Establishment of a Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District that was provided to the Commission and affected agencies; and

**WHEREAS**, the Executive Officer set a public hearing date for March 18, 2026 for the consideration of the Establishment of a Provisional Sphere of Influence for the Fair Oaks Fair Oaks Sewer Maintenance District and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public hearing held on March 18, 2026; and

**WHEREAS**, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and

be heard with respect to the proposal and the Executive Officer's report; and

**WHEREAS**, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations with regards to the following factors:

**1. The present and planned land uses in the area, including agricultural and open-space lands.**

Land uses within the FOSMD are varied and include residential, commercial, and industrial uses. The existing boundaries, including highly urbanized uses and no open space or agricultural lands are within the boundaries.

**2. The present and probable need for public facilities and services in the area.**

There will be continued need to provide sewer service within the boundaries of FOSMD and in the SOI. Within the proposed SOI there are 18 vacant parcels and approximately 100 developed properties with single family homes. These areas are within the Redwood Creek Assessment District and FOSMD, the County, and the Town of Woodside have identified these areas for annexation to FOSMD. The County Department of Public Works staff has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI.

**3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

The County Department of Public Works staff, which operates FOSMD, has confirmed that FOSMD is able to provide sanitary sewer services to the parcels within its boundary and the proposed SOI. The District's present capacity for public facilities and services is adequate.

**4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.**

None

**5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

There are no disadvantaged unincorporated communities (DUCs) within FOSMD service area.

**WHEREAS**, the establishment of a Sphere of Influence is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Sphere of Influence collects data for the purpose of evaluating municipal services provided by an agency.

The Sphere of Influence also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

**NOW, THEREFORE**, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer's Report dated March 18, 2026, Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Regularly passed and adopted this \_\_\_day of\_\_.

Ayes and in favor of said resolution:

Commissioners:

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Noes and against said resolution:

\_\_\_\_\_

\_\_\_\_\_

Commissioners Absent and/or Abstentions:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

Chair  
 Local Agency Formation Commission  
 County of San Mateo  
 State of California

ATTEST:

\_\_\_\_\_

Executive Officer  
 Local Agency Formation Commission

Date: \_\_\_\_\_

I certify that this is a true and correct copy of the resolution above set forth.

Date: \_\_\_\_\_

\_\_\_\_\_

Clerk to the Commission  
 Local Agency Formation Commission

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**March 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Consideration of Adoption of Proposed Work Program and Draft LAFCo Budget for Fiscal Year 2026-2027

## **Budget Review Schedule and Background**

Section 56381 of Cortese-Knox-Hertzberg Act (CKH or The Act), which covers adoption of the LAFCo budget, requires Commission consideration of both a proposed and a final budget at the following intervals:

1. By May 1, the Commission shall adopt a “proposed” net operating budget at a noticed public hearing.
2. By June 15, the Commission shall adopt a “final” net operating budget at a noticed public hearing following circulation of the recommended final budget to the County, all cities and all independent special districts.

The Act also provides that the proposed and final budgets shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of The Act. There is also a provision for carryover of unused funds to the subsequent year’s budget. The Act also requires that the LAFCo net operating budget be apportioned in thirds to the County, cities and independent special districts<sup>1</sup>. Also, because the Proposed Budget and Adopted Budget are adopted before the end of the fiscal year and include an estimate of fund balance carry over, once the current fiscal year closes and the actual fund balance carry over is determined, it is necessary for the Commission to determine how excess or reduced fund balance shall be applied

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<sup>1</sup> Apportionment of the one-third shares to individual cities and special districts is calculated by the County Controller based on proportionate share of revenues reported in the most recent edition of the State Controller’s reports on cities and special districts. For estimation purposes, agencies may use apportionment rates used by the Controller for the current Fiscal Year.

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT ▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

**ALTERNATES:** NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK

to the LAFCo budget. In 2021, the Commission adopted a policy that any difference in fund balance shall be reconciled in the Commission’s reserve by the County Budget Office and that the Executive Officer will update the Commission on the actual year end fund balance after the fiscal year closes.

**Proposed 2026-27 Budget**

The attached draft budget includes actual expenditures for FY2024-25, adopted and estimated actuals for FY2025-26, and the draft proposed FY2026-27 Budget. Key items addressed in more detail below include a programmed increase in salary and benefits for staff, increased costs for the shared clerk position, increases related to charges for future office temporary relocation, increases in costs for the CALAFCO conference and workshop, and, increases in service charges for IT, increases in County A-87 Charges. The estimated amount of fund balance of \$120,000 will be used to offset a portion of the 1/3 apportionment to member agencies.

	<b>Final FY 25-26 Budget</b>	<b>Draft Proposed FY 26-27 Budget</b>	<b>Change</b>
<b>Appropriations Budget</b>	\$923,821	\$1,037,070	\$113,249 (12%)
<b>Net Operating Budget</b>	\$828,897	\$937,070	\$108,173 (11%)
<b>One-third Apportionment</b>	\$240,299	\$295,023	\$54,724 (23%)

**Proposed Work Program**

The following draft work plan includes a summary of recent activities and upcoming goals/objectives, such as preparing Municipal Service Reviews (MSRs)/Sphere of Influence (SOI) updates and special studies, updating the Commission’s policies and procedures, and other projects and activities.

MSRs/SOI Updates - LAFCo law provides that every five years the Commission shall, as necessary, review and update each SOI [Gov. Code §56425(g)]. The statute also provides that in order to prepare and update an SOI, the Commission shall conduct an MSR.

Task	Progress	Comments
<p>Prepare Municipal Service Reviews and Sphere of Influence Studies. A draft five-year MSR work plan is attached as Attachment C. The workplan prioritizes agencies based upon the date of their last MSR. Attachment D shows the year each agency last had an MSR completed.</p>	<p>On-going</p>	<p>All studies will include administrative and public hearing drafts. FY26-27 studies are proposed to be completed by LAFCo staff. Time will also be allocated to following up with agencies regarding the status and implementation of recommendations. Also, where applicable, MSRs will include discussion and review of Joint Power Agreements/Joint Power Authorities that provide services in area under study.</p>
<p>Process applications for boundary changes in a responsive, professional and efficient manner.</p>	<p>On-going</p>	<p>Priority is given to applications for economic development, public health and safety, housing developments identified in agencies Housing Elements, or other urgent needs. Potential proposals include:</p> <ul style="list-style-type: none"> <li>• Belmont annexations in Harbor Industrial Area</li> <li>• Annexations to San Carlos</li> <li>• County Sewer District Annexations</li> <li>• Menlo Park Triangle</li> </ul>
<p>Review and analysis of existing Outside Service Agreements and Deferred Annexation Agreements.</p>	<p>Starting in FY26-27</p>	<p>The analysis will include a review of any areas that are potentially eligible for annexation to a city or special district. This task may also include the formation of a new policy to periodically review the location of properties with Deferred Annexation Agreements.</p>
<p>Complete annual audits (FY 24-25 and FY25-26).</p>	<p>On-going</p>	<p>Proposed to be adopted at March 2026 meeting for FY23-24.</p>
<p>Comment on potential LAFCo applications, relevant projects &amp; development proposals, city General Plan updates and/or related environmental documents.</p>	<p>On-going as needed</p>	
<p>Initiate informal meetings to discuss budget and policy issues with Cities,</p>	<p>On-going</p>	

Special Districts, and County, as appropriate.		
Review of contract with County	On-going	Review as needed.
Post public information on the LAFCo website and review website layout, graphics, and content for ease of public use.	On-going	
Provide Commission with regular updates of laws, policies, and procedures.	On-going	
Provide quarterly budget updates.	On-going	Provide timely quarterly updates on budget to Commission after budget adoption.
Participate in regional activities for which LAFCo has indirect or direct responsibilities, such as Plan Bay Area and Regional Housing Needs Allocation	On-going	
Promote San Mateo LAFCo's interests in statewide issues through active participation in the California Association of Local Agency Formation Commissions (CALAFCO).	On-going	
Digital Archiving	On-going	Staff continues to digitize proposal files, meeting agendas, and meeting minutes. Staff coordinates with County staff regarding converting annexation records into digital format and potential cost estimate for that work. Contracted work expected to continue in FY26-27.
Mapping program	On-going	Continue to coordinate with County staff to update maps of agencies and provide them on the LAFCo website. This will include mapping Outside Service Agreements and researching the potential to create additional digital maps for LAFCo.
Policies and Procedures Updates	On-going	
Update of Commissioner Handbook	On-going	

### **Estimated Actual 2025-26 Budget**

The 2025-26 Adopted Budget includes appropriations for the Executive Officer, Management Analyst, and shared Administrative Secretary; Commission meetings; County Attorney's Office; general operating expenditures including rent, supplies, etc.; travel; meetings and legal counsel.

Revenues include fund balance carryover, application fees and the intergovernmental revenue from the County, cities and special districts.

As noted below, based on estimated revenues and expenditures, the estimated fund balance carryover to be applied to the 2026-27 fiscal year is \$225,667 with \$120,000 proposed to offset member costs.

### **Proposed 2026-27 Budget**

#### **Salary and Benefits**

Salary and benefits total amount of \$600,315 reflect the Executive Officer position, Management Analyst, and Commissioner stipend. These costs reflect programed salary increases along with increased benefit costs such as medical insurance costs. On a limited basis, this account is charged for extra-help staff time to assist LAFCo staff with website updates. The shared administrative secretary position charges do not appear in payroll and instead appear in Account 5838.

#### **Services and Supplies**

The Commission's contract with the County of San Mateo includes staffing, office space, and related services. With the exception of the Controller Administrative Fees (Account 5872) which are estimated charges, expenditures reflect service charges provided by County departments.

The San Mateo County Planning and Building Department has informed LAFCo that in FY26-27, the 2<sup>nd</sup> Floor of 455 County Center, where both LAFCo and County Planning and Building are located, will undergo renovations. These renovations will require that LAFCo vacate its current office space during construction. It is anticipated the temporary location will be within one of office buildings in the County Center. Once the renovations are complete, LAFCo staff will move back into the 2<sup>nd</sup> Floor office space. For the upcoming fiscal year, funds have been budgeted for moving offices and for any required upgrades at the temporary space. It is anticipated that any costs associated with construction and new office furniture will be charged to LAFCo in FY27-28.

Charges from outside agencies include Memberships (Account 5331), which includes California Association of Local Agency Formation Commissions (CALAFCO) membership and California Special Districts Association (CSDA) membership and liability insurance (Account 6725) purchased from the California Special District Risk Management Authority (SDRMA). Membership with CALAFCO allows staff and the Commission access to LAFCo focused trainings, conferences, and legislative updates. Along with access to SDRMA, membership with CSDA keeps staff apprised of issues of interest to special districts and LAFCo.

#### **Meetings and Conferences**

The Meetings and Conference appropriation is estimated at \$24,000 based estimates provided by CALAFCO for the CALAFCO Fall 2026 (Sacramento) and a staff workshop in Spring 2027. This budget allows for 7 LAFCo Commissioners and staff to attend the CALAFCO Conference and for 3 LAFCo staff members to attend the Staff Workshop. Funds are allocated to conference/workshop registration

fees, airfare/mileage costs, hotel costs, and other incidental costs. A \$2,000 cost has also been included to cover incidental costs related to a County training program for the Executive Officer. The County of San Mateo will reimburse all costs associated with this training program and a corresponding \$2,000 has been budgeted as miscellaneous revenue to account for the reimbursement. There is no cost to member agencies.

#### County Service Charges including Rent, Technology Services, and Controller

Controller charges are estimates pending the actual costs associated with the Controller invoicing and collecting LAFCo apportionment. Rent (Account 6714) is budgeted at \$21,800 for two workstations for LAFCo staff. The allocation for County Attorney (Account 6732) has been decreased to \$60,000. The proposed budget includes \$5,000 for the recording of LAFCo meetings (Account 5858).

#### A-87 Charges/County Cost Allocation

A-87 is an Office of Management and Budget (OMB) circular or guideline that sets forth principles and standards for the determination of costs applicable to County programs funded by the Federal and State governments. Under the circular, the County must observe uniformity in its allocation of costs, that is, the County cannot be selective in the allocation process whereby externally (State and Federal) funded programs are not charged equitably. Also referred to as the Countywide Cost Allocation Plan, the County uses A-87 guidelines to obtain reimbursement from Federal, State, and non-General Fund programs for departments that do not charge directly for services rendered. For example, the Controller's Office does not charge departments for payroll services. However, the cost of providing payroll services to Non-General Fund Departments and programs receiving funds from the Federal and State governments for this specific purpose is recovered through County Cost Allocation. The proposed budget includes \$42,000 for A-87 Charges/County Cost Allocation

(Account 6821).

#### Reserve

Staff recommends making a minor additional appropriation to the reserve to increase the amount to \$100,000. This allows the Commission to use the fund balance to offset agency contributions.

#### Application of Fund Balance Carry Over

The Commission's practice regarding fund balance has been to appropriate all or a portion of it for consulting and/or special reserves, and use a portion to offset the net operating budget thereby reducing the funding obligation of the County, cities and special districts to the extent possible. In preparing the annual budget, staff has been mindful of balancing the fiscal impact of the LAFCo budget to funding entities with the Commission's mandate to carry out processing of reorganization applications and preparation of municipal service reviews and sphere studies.

This year's estimated fund balance carry-over is \$225,667 with \$120,000 to offset agency costs.

#### Review by Budget Committee

On February 25, 2026, the LAFCo Budget Committee reviewed the draft budget and work plan and recommended the two items for approval with the following edits and clarification: 1) The MSR

Workplan will list Joint Power Agreements/Joint Power Authorities that will be covered in each report; 2) LAFCo staff will develop a report to review areas that are potentially eligible for annexation to a city or special district related to deferred annexation agreements that have previously been approved. This task may also include the formation of a new policy to periodically review the location of properties with Deferred Annexation Agreements; 3) Additional information about office furniture and temporary move; 4) The work program item related to future updates related to the Broadmoor Police Protection District has been removed as no updates are anticipated for this year.

**Recommendation:**

1. Open the public hearing and accept public comment.
2. Consider and approve by resolution the attached Proposed Budget of \$1,037,070 and LAFCo Work Plan.
3. Direct the Executive Officer to schedule the Final FY 2026-27 Budget for a public hearing at the May 20, 2026 Commission meeting and circulate it with any necessary amendments to the County, cities, and independent special districts.

**Attachments**

- A. Budget Narrative for FY26-27
- B. Budget Spreadsheet for FY26-27, inclusive of the Draft Adopted Budget, estimated expenditures for FY25-26, and actual expenditures for FY24-25
- C. MSR Workplan
- D. List of most recent MSRs for agencies
- E. Resolution No. 1350

**LAFCO PROPOSED 2026-27 BUDGET NARRATIVE**

The following provides a narrative to the budget spreadsheet and reflects costs associated with LAFCo's contract with the County of San Mateo for staffing, office space, supplies and legal counsel.

**Salary & Benefits (4111 through 4628)**

Salary and benefits of \$600,315 includes the County position of LAFCo Executive Officer that serves under contract with the County, Management Analyst salary and benefits, administrative leave cash out, experience pay for positions per County HR, workers compensation charges, and Commissioner stipend of \$100 per bi-monthly meeting. Salary and benefits increase reflects the County's Salary Schedule. The shared Administrative Secretary position charges appear in Account 5838 and not in payroll.

**Services & Supplies****Internet/Communications (5132)**

Appropriation of \$1,400 for internet and communication tools and services to support LAFCo staff.

**Outside Printing (5191)**

Appropriation of \$1,000 for copying and printing by outside print shops for special community mailings or workshop distribution of MSRs that cannot be distributed electronically.

**General Office Supplies (5193)**

A flat appropriation of \$800 for incidental office supplies provided to LAFCo.

**Photocopy (5196)**

A flat appropriation of \$600 for incidental copies made from the Planning Department copier where the LAFCo office is located.

**Postage & Mailing (5197)**

Appropriation of \$1,000 for postage/ mailing service through the County mailroom.

**Computer Supplies (5211)**

Appropriation of \$500 for computer supplies including the use of internet hotspots to support teleworking for staff.

**Computer Equipment under \$5,000 (5212)**

Appropriation of \$2,000 for computer equipment.

**Software License (5215)**

Appropriation of \$0 as these charges have been moved to 6752 for two Microsoft 365 and Adobe licenses.

**Records Storage (5218)**

Appropriation of \$700 for offsite records storage.

**Office Furniture/Equipment/Temporary Move (5234)**

Appropriations of \$8,000 for moving of LAFCo offices to temporary space while construction occur at the current LAFCo and County Planning and Building offices. These funds would also cover any upgrades needed to the temporary office space. The appropriation is based on estimated costs by the County Planning and Building Department.

Memberships (5331)

Estimated dues of \$17,000 for CALAFCO and California Special Districts Association (CSDA). Membership with CALAFCO allows staff and the Commission access to LAFCo focused trainings, conferences, and legislative updates. Along with access to SDRMA, membership with CSDA keeps staff apprised of issues of interest to special districts and LAFCo.

Legal Advertising (5341)

Appropriation of \$2,500 for legal notices published in newspapers for LAFCo hearing items that require notice.

Signage (5443)

Appropriation of \$600 for name plates for new LAFCo Commissioners and staff.

Mileage Allowance (5712)

Appropriation of \$1,000 for mileage reimbursement.

Meetings & Conferences (5721)

The Meetings and Conference appropriation is estimated at \$24,000 for costs associated with attending the in-person 2026 CALAFCO Conference in Sacramento, CA and Staff Workshop in 2027. This budget allows for 7 LAFCo Commissioners and staff to attend the CALAFCO Conference and for 3 LAFCo staff members to attend the Staff Workshop. Funds are allocated for costs conference/workshop registration fees, airfare/mileage costs, hotel costs, and other incidental costs. \$2,000 has also been included to cover incidental costs related to a County training program for the Executive Officer. The County of San Mateo will reimburse all costs associated with this training program and a corresponding \$2,000 has be budgeted as miscellaneous revenue to account for the reimbursement. There is no cost to member agencies.

Training (5733)

Appropriation of \$300 for educational classes, workshops, or training related to LAFCo or CEQA.

Fiscal Office Specialist (5814)

Appropriation of \$2,300 for a County Fiscal Office Specialist to process LAFCo accounts receivable, accounts payable, and payroll. This is an estimated cost.

0.5 FTE LAFCo Clerk (5838)

Appropriation of \$77,000 for part-time contracted Executive Secretary position. This amount includes salary, benefits, and administrative overhead charges from County Planning. This is an estimated cost.

Outside Auditing Services (5842)

Allocation of \$11,000 for the anticipated FY25 audit.

Graphics/GIS (5848)

Appropriation of \$1,500 for GIS and other mapping services for LAFCo studies and sphere updates.

Video Recording of Commission Meetings (5858)

\$5,000 based six regular meetings of various duration and one potential additional meeting.

DPW/GIS Mapping/Scanning (5861)

Appropriation of \$9,000 for contract costs related to scanning and digitizing historical LAFCo files.

Fingerprinting new employee (5866)

Appropriation of \$100 for fingerprinting services.

Controller Admin (5872)

Estimated Cost of \$11,000 for administering the apportionment and collection of LAFCo budget to County, cities, and special districts.

Other expenses (5969)

Appropriation of \$1,000 for minor, non-budgeted costs.

Accounting Software (6705)

Appropriation of \$150 related to the use of County accounting software for LAFCo

Telephone (6706)

Appropriation of \$400 related to the use of County accounts payable software for LAFCo

Telephone (6712)

Appropriation of \$1,000 related to costs for two telephone lines for LAFCo staff.

Technology Services Department (ISD) Services (6713)

Appropriation of \$8,600 for connectivity and support services.

Rent (6714)

Rent for two office spaces is \$21,800.

Motor Pool (6717)

Appropriation of \$0 for use of the County's vehicle fleet.

General Liability (6725)

Estimated appropriation of \$14,000 for insurance through the Special District Risk Management Authority for the Commission and employee insurance with County of San Mateo for LAFCo staff.

Bond Insurance (6727)

Estimated appropriation of \$85 for bond insurance.

County Attorney's Office (6732)

Appropriation of \$60,000 for County Attorney charges.

Human Resources (6733)

Estimated appropriation of \$120 for online Learning Management Services.

Countywide Security (6738)

Estimated of \$250 for countywide security provided by the Sheriff's office.

All Other Charges - OFAS (Account 6739)

Appropriation of \$0 for the County accounting software (OFAS) as charges were moved to Account 6705.

Card Key Services (Account 6751)

Appropriation of \$250 for key card services.

TSD Software Licenses (Account 6752)

Appropriation of \$1,400 for two Microsoft 365 and Adobe licenses.

TSD Software Licenses (Account 6758)

Appropriation of \$5,400 for IT support for LAFCo staff

A-87 Charges/County Cost Allocation (6821)

A-87 is an Office of Management and Budget (OMB) circular or guideline that sets forth principles and standards for the determination of costs applicable to County programs funded by the Federal and State governments. Under the circular, the County must observe uniformity in its allocation of costs, that is, the County cannot be selective in the allocation process whereby externally (State and Federal) funded programs are not charged equitably. Also referred to as the Countywide Cost Allocation Plan, the County uses A-87 guidelines to obtain reimbursement from Federal, State, and non-General Fund programs for departments that do not charge directly for services rendered. For example, the Controller's Office does not charge departments for payroll services. However, the cost of providing payroll services to Non-General Fund Departments and programs receiving funds from the Federal and State governments for this specific purpose is recovered through County Cost Allocation.

The proposed budget includes \$42,000 for A-87 Charges/County Cost Allocation.

Reserve (8612)

Staff recommends appropriating \$100,000 of the fund balance to reserve, consistent with the current level of reserves. Commission authorization is required to spend reserve.

Application of Fund Balance Carry Over

The Commission's practice regarding fund balance has been to appropriate all or a portion of it for consulting and/or special reserve and use a portion to offset the net operating budget thereby reducing the funding obligation of the County, cities, and special districts to the extent possible. In preparing the annual budget, staff has been mindful of balancing the fiscal impact of the LAFCo budget to funding entities with the Commission's mandate to carry out processing of reorganization applications and preparation of municipal service reviews and sphere studies.

This year's estimated fund balance carry over is \$225,667 with \$120,000 to offset agency costs.

LAFCo	Draft FY 26-27 Budget	Adopted FY 24-25	Actuals FY 24-25	Adopted FY 25-26	Estimated Actuals FY 25-26	Draft FY 26-27
	<b>Revenues</b>					
1983	County Contribution	237,698	237,695	240,299	240,299	295,023
1992	City Contributions	237,698	237,695	240,299	240,299	295,023
1992	Special District Contributions	237,698	237,695	240,299	240,299	295,023
	<b>Sub-Total County/City/District Contributions</b>	<b>713,094</b>	<b>713,085</b>	<b>720,897</b>	<b>720,897</b>	<b>885,070</b>
2421	Application Fees	35,000	19,434	30,000	22,000	20,000
2600	Miscellaneous Revenue	0	0	0	0	2,000
1521	Interest	8,000	23,346	8,000	18,000	10,000
	<b>Fund Balance Offset</b>	<b>134,924</b>	<b>134,924</b>	<b>164,924</b>	<b>164,924</b>	<b>120,000</b>
	<b>Total Revenues</b>	<b>891,018</b>	<b>890,789</b>	<b>923,821</b>	<b>925,821</b>	<b>1,037,070</b>
	<b>Expenditures</b>					
4111	Salary & Benefits for Executive Officer and Management Analyst	486,979	439,624	527,562	527,562	580,615
4141	Admin. Leave Cash Out	5,800	5,800	13,500	13,252	13,500
4161	Commissioner Compensation	5,000	5,000	5,000	5,000	5,000
4628	Wellness Dividend	500	0	500	500	600
4512	Workers Compensation Experience	435	435	500	450	600
<b>4000</b>	<b>SALARIES &amp; BENEFITS SUBTOTAL</b>	<b>498,714</b>	<b>450,859</b>	<b>547,062</b>	<b>546,764</b>	<b>600,315</b>
5132	Internet/Communications	100	1,313	1,200	1,200	1,400
5191	Outside Printing (other special printing)	1,000	0	1,000	0	1,000
5193	General Office Supplies	550	668	700	700	800
5196	Photocopy - in-house copier	550	550	600	600	600
5197	Postage & Mailing Service	1,000	610	1,000	200	1,000
5211	Computer Supplies	500	0	500	0	500
5212	Computer Equipment under \$5,000	7,000	6,681	2,500	0	2,000
5215	Software License	1,000	870	0	0	0
5218	Corovan Records Storage	700	365	700	400	700
5234	Office Furniture/Equipment	7,500	2,386	7,500	0	8,000
5331	Memberships (CALAFCo/CSDA)	16,000	14,318	16,000	14,793	17,000
5341	Legal Advertising	2,500	621	3,000	600	2,500
5443	Signage	200	1,346	600	500	600
5712	Mileage Allowance	1,000	549	1,000	0	1,000
5721	Meetings & Conferences	19,000	11,557	20,000	16,000	26,000
5733	Training	250	0	300	0	300
5814	Fiscal Office Specialist	1,840	1,840	2,025	2,025	2,300

LAFCo	Draft FY 26-27 Budget	Adopted FY 24-25	Actuals FY 24-25	Adopted FY 25-26	Estimated Actuals FY 25-26	Draft FY 26-27
5838	.5 FTE LAFCo Clerk	61,881	60,230	69,998	69,998	77,000
5842	Outside Auditing Services	9,800	9,800	11,000	10,000	11,000
5848	Graphics	1,500	0	1,500	0	1,500
5856	Consulting	0	0	0	0	0
5858	Other Professional Contract Services (Recording of Meetings)	4,200	3,603	4,800	3,200	5,000
5861	DPW/GIS Mapping/Scanning	4,000	0	9,000	8,574	9,000
5866	Fingerprinting new employee	50	88	0	0	100
5872	Controller Admin	8,500	7,293	10,000	9,311	11,000
5969	Other special dept expense	100	841	100	570	1,000
<b>5000</b>	<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>150,721</b>	<b>125,529</b>	<b>165,023</b>	<b>138,671</b>	<b>181,300</b>
6705	Accounting Software	0	0	0	0	150
6706	Accounts Payable Software	0	0	0	0	400
6712	Telephone	0	0	900	843	1,000
6713	TSD (Automation Services)	12,000	8,012	8,000	8,400	8,600
6714	Rent	17,059	17,059	20,737	20,737	21,800
6717	Motor Pool	78	0	0	0	0
6725	Gen'l Liability	9,600	9,576	10,000	11,568	14,000
6727	Bond Insurance	72	71	85	75	85
6732	County Attorney's Office	80,000	43,593	70,000	25,000	60,000
6733	Human Resources	100	72	100	76	120
6738	Countywide Security	180	173	190	189	250
6739	All Other Charges (Accounting Software)	320	149	650	600	0
6751	Card key services	250	186	250	206	250
6752	TSD Software Licenses	0	0	1,300	1,270	1,400
6758	TSD Support Service	0	0	4,600	4,408	5,400
6821	A 87 Charges/County Cost Allocation	27,000	25,504	0	36,918	42,000
<b>6000</b>	<b>OTHER CHARGES SUBTOTAL</b>	<b>146,659</b>	<b>104,395</b>	<b>116,812</b>	<b>110,290</b>	<b>155,455</b>
	<b>Subtotal Appropriations</b>	<b>796,094</b>	<b>680,783</b>	<b>828,897</b>	<b>795,725</b>	<b>937,070</b>
<b>8612</b>	<b>Reserve</b>	<b>94,924</b>	<b>0</b>	<b>94,924</b>	<b>0</b>	<b>100,000</b>
	Special Reserve	0	0	0	0	0
	<b>Total Appropriations Budget</b>	<b>891,018</b>	<b>680,783</b>	<b>923,821</b>	<b>795,725</b>	<b>1,037,070</b>
	<b>Fund Balance</b>					
3333	Fund Balance	134,924	290,868	217,948	225,667	225,667

## Draft MSR Workplans for Fiscal Years 2023-2031

Fiscal Year	By Region and Service Type
<b>23-24</b>	<ol style="list-style-type: none"> <li>1. City of Burlingame – <i>Adopted October 2023</i></li> <li>2. City of Hillsborough - <i>Adopted October 2023</i></li> <li>3. City of San Bruno –<i>Adopted May 2024</i></li> <li>4. Broadmoor Police Protection District - <i>Adopted May 2024</i></li> </ol>
<b>24-25</b>	<ol style="list-style-type: none"> <li>1. City of Foster City – <i>Adopted September 2024</i></li> <li>2. City of Millbrae - <i>Adopted January 2025</i></li> <li>3. San Mateo County Harbor District Update - <i>Adopted March 2025</i></li> <li>4. Coastside Fire Protection District - <i>Adopted May 2025</i></li> </ol>
<b>25-26</b>	<ol style="list-style-type: none"> <li>1. South County Part 1.a – <i>Adopted November 2025</i> <ol style="list-style-type: none"> <li>a. Los Trancos Maintenance District</li> <li>b. CSA 7</li> <li>c. La Honda Lighting Maintenance District</li> </ol> </li> <li>2. South County Part 1.a – <i>Adopted January 2026</i> <ol style="list-style-type: none"> <li>d. Town of Portola Valley</li> <li>e. Town of Woodside</li> </ol> </li> <li>3. Ladera Recreation District and Highlands Recreation District – <i>Proposed Adoption in July 2026</i></li> </ol>
<b>26-27</b>	<ol style="list-style-type: none"> <li>1. South County Part 2 - <i>Proposed Adoption in November 2026</i> <ol style="list-style-type: none"> <li>a. Town of Atherton</li> <li>b. Atherton Channel Drainage District</li> <li>c. City of Menlo Park and Special Districts</li> <li>d. Menlo Park Highway Lighting District</li> <li>e. San Francisquito Creek Joint Powers Authority</li> </ol> </li> <li>2. Menlo Park Fire Protection District and Woodside Fire Protection District - <i>Proposed Adoption in May 2027</i></li> </ol>
<b>27-28</b>	<ol style="list-style-type: none"> <li>1. Coastside: <ol style="list-style-type: none"> <li>a. City of Half Moon Bay</li> <li>b. CSAs 6, 10, 11, and 12</li> <li>c. Coastside County Water District</li> <li>d. Granada Community Services District</li> <li>e. Granada Highway Lighting District</li> <li>f. Montara Highway Lighting District</li> <li>g. Montara Water and Sanitary District</li> <li>h. Sewer Authority Mid-Coastside</li> </ol> </li> <li>2. Midpeninsula Regional Open Space District</li> </ol>

<p style="text-align: center;"><b>28-29</b></p>	<ol style="list-style-type: none"> <li>1. South/Central County – <ol style="list-style-type: none"> <li>a. City of Redwood City</li> <li>b. City of San Carlos</li> <li>c. City of Belmont</li> <li>d. Edgewood Sewer Maintenance District</li> <li>e. Emerald Lake Heights Sewer Maintenance District</li> <li>f. Fair Oaks Sewer Maintenance District</li> <li>g. Kensington Square Sewer Maintenance District</li> <li>h. Oak Knoll Sewer Maintenance District</li> <li>i. Emerald Lake Heights Highway Lighting District</li> <li>j. CSA 8</li> <li>k. Belmont Highway Lighting District</li> <li>l. Harbor Industrial Sewer Maintenance District</li> <li>m. Devonshire Co. Sanitation District</li> <li>n. Scenic Heights County Sanitation District</li> <li>o. Belmont Fire Protection District</li> <li>p. Silicon Valley Clean Water</li> </ol> </li> <li>2. Mid-Peninsula Water District</li> </ol>
<p style="text-align: center;"><b>29-30</b></p>	<ol style="list-style-type: none"> <li>1. San Mateo County Mosquito &amp; Vector Control District</li> <li>2. Peninsula Health Care District and Sequoia Healthcare District (Consultant)</li> <li>3. Central County – <ol style="list-style-type: none"> <li>a. City of San Mateo</li> <li>b. City of Burlingame</li> <li>c. Town of Hillsborough</li> <li>d. City of Foster City</li> <li>e. Estero Municipal Improvement District</li> <li>f. Burlingame Hills Sewer Maintenance District</li> <li>g. Crystal Springs County Sanitation District</li> <li>h. Bel-Aire Lighting Maintenance District</li> <li>i. Enchanted Hills Lighting Maintenance District</li> <li>j. County Service Area No. 1</li> <li>k. Central County Fire Department</li> <li>l. San Mateo Consolidated Fire Department</li> </ol> </li> </ol>
<p style="text-align: center;"><b>30-31</b></p>	<ol style="list-style-type: none"> <li>1. North County Part 1 – <ol style="list-style-type: none"> <li>a. City of Daly City</li> <li>b. Town of Colma</li> <li>c. City of Brisbane</li> <li>d. City of Pacifica</li> <li>e. North San Mateo County Sanitation District</li> <li>f. Broadmoor Police Protection District</li> <li>g. Colma Fire Protection District</li> <li>h. Guadalupe Valley Municipal Improvement District</li> <li>i. Bayshore Sanitary District</li> <li>j. Colma Highway Lighting District</li> <li>k. North County Fire Authority</li> </ol> </li> </ol>

**Not Yet  
Scheduled**

- South County Part 3 –
  - a. City of East Palo Alto
  - b. West Bay Sanitary District
  - c. East Palo Alto Sanitary District
- North County Part 2 –
  - a. City of San Bruno
  - b. City of Millbrae
  - c. City of South San Francisco
  - d. Westborough Water District
- San Mateo Resource Conversation
- San Mateo County Harbor District

List of Completed Municipal Service Reviews (MSR)		
Agency	Date of Last MSR	Notes
Town of Atherton, Atherton Channel Drainage District	2008	South County - Part 2
City of Half Moon Bay	2008	Coastside
County Service Area No. 6 (Princeton-by-the-Sea)	2008	Coastside
County Service Area No. 10 (Montara Parks)	2008	Coastside
County Service Area No. 12 (Montara/Moss Beach)	2008	Coastside
Coastside County Water District	2008	Coastside
Granada Community Services District	2008	Coastside
Montara Water and Sanitary District	2008	Coastside
Montara Highway Lighting District/Granada Highway Lighting District	2008	Coastside
City of Menlo Park/Menlo Park Highway Lighting District	2009	South County - Part 2
Menlo Park Fire Protection District	2009	Regional
Woodside Fire Protection District	2009	Regional
City of Redwood City/Edgewood Sewer Maintenance District/Emerald Lake Heights Sewer Maintenance District/Fair Oaks Sewer Maintenance District/Kensington Square Sewer Maintenance District/Oak Knoll Sewer Maintenance District/Emerald Lake Heights Highway Lighting District, County Service Area No 8 (North Fair Oaks)	2011	South/Central County County
City of Belmont/Belmont Fire Protection District/Belmont Highway Lighting District/Harbor Industrial Sewer Maintenance District	2011	South/Central County County
City of San Carlos /Devonshire Co. Sanitation Dist/Scenic Heights County Sanitation Dist.	2011	South/Central County County
Mid-Peninsula Water District	2011	South/Central County County
San Mateo County Mosquito and Vector Control District	2012	Regional (also in 2003)
City of San Mateo/Crystal Springs County Sanitation District/Bel-Aire Lighting Maintenance District/Enchanted Hills Lighting Maintenance District/County Service Area No. 1 (Highlands)	2013	Central County
Midpeninsula Regional Open Space District	2013	Regional (also in 2003)
City of Brisbane/Guadalupe Valley Municipal Improvement District	2015	North County
City of Daly City/North San Mateo County Sanitation District	2015	North County Part 1
City of Pacifica	2015	North County Part 1
North Coast County Water District	2015	North County Part 1
Bayshore Sanitary District	2015	North County Part 1
Town of Colma/Colma Highway Lighting District	2015	North County Part 1 (also in 2007)
Colma Fire Protection District	2015	North County Part 1 (also in 2007)
Peninsula Health Care District	2017	Regional (also in 2007)
Sequoia Healthcare District	2017	Regional (also in 2007)
San Mateo County Resource Conservation District	2021	Regional (also in 2006)
City of South San Francisco	2022	North County Part 2
Westborough Water District	2022	North County Part 2
City of East Palo Alto/East Palo Alto Sanitary District	2022	South County Part 3 (also in 2009)
West Bay Sanitary District	2022	South County Part 3 (also in 2009)
County Service Area No. 11 (Pescadero)/Pescadero Highway Lighting District	2022	Coastside (also in 2011)
City of Burlingame/Burlingame Hills Sewer Maintenance District	2023	Central County
Town of Hillsborough	2023	Central County
Broadmoor Police Protection District	2024	also in 2007 and 2015; special study in 2022
City of Foster City/Estero Municipal Improvement District	2024	Central County
City of San Bruno	2024	North County Part 2
City of Millbrae	2025	North County Part 2
Coastside Fire Protection District	2025	Coastside (also in 2005)
San Mateo County Harbor District	2025	Regional (also in 2006 and 2015)
Los Trancos Maintenance District	2025	South County (also in 2006)
Town of Portola Valley	2025	South County (also in 2007)
Town of Woodside	2025	South County (also in 2007)
County Service Area No. 7 (Sam McDonald Park)/La Honda Lighting Maintenance District	2025	South County (also in 2011)
Highlands Recreation District	2026 (anticipated)	Regional (also in 2012)
Ladera Recreation District	2026 (anticipated)	Regional (also in 2007)

As of 2/18/2026

## RESOLUTION NO. 1350

**RESOLUTION OF THE  
SAN MATEO LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE DRAFT PROPOSED  
2026-2027 FISCAL YEAR BUDGET AND WORK PROGRAM**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California that:

WHEREAS, Section 56381 of the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 provides that the LAFCo Commission shall adopt a “Proposed” and “Final” budget; and

WHEREAS, the Proposed Draft Budget was circulated to the County, the cities and independent special districts; and

WHEREAS, the Commission has considered the “Proposed Draft Budget at a noticed public hearing and received public comment; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the San Mateo Local Agency Formation Commission hereby adopts the Proposed Budget for Fiscal Year 2026-2027 of \$1,037,070 as shown in Exhibit A and directs the Executive Officer to place consideration of the “Final” budget on the May 20, 2026 agenda after circulating it to the County, cities and independent special districts.

Regularly passed and adopted this \_\_\_\_ day of \_\_\_\_\_

Ayes and in favor of said resolution:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes and against said resolution:

\_\_\_\_\_

Commissioners Absent and/or Abstentions:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

Chair  
 Local Agency Formation Commission  
 County of San Mateo  
 State of California

ATTEST:

\_\_\_\_\_

Roberto J Bartoli Jr.  
 Executive Officer  
 Local Agency Formation Commission

Date: \_\_\_\_\_

I certify that this is a true and correct copy of the resolution above set forth.

Date: \_\_\_\_\_

\_\_\_\_\_

Clerk to the Commission  
 Local Agency Formation Commission

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**Mach 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Public Member Recruitment Process, Appointment of Public Member Recruitment Committee and Adoption of Revised Public Member Alternate Public Member Policy

## Summary

Government Code Section 56325 sets forth that the Commission shall consist of seven members selected as follows: two members appointed by the Board of Supervisors, two members selected by the Council of Mayors, two members selected by the presidents of the independent special districts, and one member of the public selected by the other members of the Commission.

The term for Colleen You, the Alternate Public Member, will expire in May 2026. Ms. You was appointed in 2025 due to a vacancy. The upcoming term begins May 2026 and expires May 2030. Ms. You has stated that she will not seek a new appointment. A recruitment announcement will be published by March 23, 2026, with a minimum of a 30-day recruitment period.

The term for Ann Draper, the Regular Public Member, will expire in May 2026. Ms. Draper was originally appointed in 2016 to a partial two-year term to fill a vacancy and reappointed in 2018 and 2022 for two four-year terms. The upcoming term begins May 2026 and expires May 2030. Ms. Draper has stated that she will seek a new appointment. Several LAFCos have adopted policy that permits the reappointment of an incumbent Public member without the need for an open recruitment. LAFCo staff has prepared an updated Procedures for Selection of Public Member and Alternate Public Member that would permit the Commission to appoint an incumbent Public member without the need for an open recruitment. Alternatively, direction can be given to LAFCo staff to include this position in a recruitment announcement and start an open recruitment process.

The Commission's policies on appointment of public members and alternate public members provide for a recruitment committee of three Commissioners. It is therefore requested that the

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ DAVID CANEPA, COUNTY ▪ KATI MARTIN, SPECIAL DISTRICT ▪ STEPHEN RAINALDI, CITY ▪ DEBBIE RUDDOCK, CITY ▪ JACKIE SPEIER, COUNTY

**ALTERNATES:** NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU PUBLIC ▪

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪ DIANE ESTIPONA, CLERK

Commission appoint a recruitment committee that would review applications and tentatively interview applicants prior to the May 20, 2026 LAFCo meeting, at which they would make their recommendation to the Commission. The 2025 Recruitment Committee consisted of one City member, one County member, and one Special District member.

**Review by Legislative and Policy Committee**

The Legislative and Policy Committee will meet on March 12, 2026 to review the policy change. Staff will provide an update at the March 18 Commission meeting.

**Recommended Commission Action**

- 1) By motion, appoint three Commission members to the Alternate Public Member Recruitment Committee and adopt the revised San Mateo LAFCo Procedures for Selection of Public Member and Alternate Public Member to permit the Commission to reappointment an incumbent Public member without the need for an open recruitment.

Or

- 2) By motion, appoint three Commission members to the Regular and Alternate Public Member Recruitment Committee with no proposed changes to the existing Public member appointment policy.

**Attachment**

- A. Redlined San Mateo LAFCo Procedures for Selection of Public Member and Alternate Public Member – Last amended in 2006

**SAN MATEO LOCAL AGENCY FORMATION COMMISSION**  
**PROCEDURES FOR THE SELECTION OF THE**  
**PUBLIC MEMBER AND ALTERNATE PUBLIC MEMBER OF THE COMMISSION**

Adopted by the Commission

July 20, 1994

Amended May 21, 1997

Amended March 21, 2001

Amended February 19, 2006

**Authority**

1. One member representing the general public shall be appointed by the city, county and special district members of the Commission (Government Code Section 56325). Selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the appointing authorities. (56325[d])
2. The city, county and special district members of the Commission may also appoint an alternate public member who shall serve and vote in place of the regular public member if he or she is absent or disqualifies himself or herself from participating in a meeting of the Commission (Government Code Section 56331). Selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the appointing authorities (56325 [d]).
3. No person appointed as a public member or alternate public member shall be an officer or employee of the county or any city or district with territory in the county (Government Code Section 56331).
4. The term of office of each member shall be four years and until the appointment and qualification of his or her successor. The expiration date of the term of office of each member shall be the first Monday in May in the year in which the term of the member expires. Any vacancy in the membership of the Commission shall be filled for the unexpired term by appointment by the body which originally appointed the member (Government Code Section 56334).

**Procedure**

**1. Public Member**

**Appointment**

Application: Ninety days prior to the expiration of the term of office of the Public Member, the Executive Officer shall issue a news release announcing that the Commission will be considering applications for appointment of the Public Member. The news release shall outline the function and purpose of the Commission, indicate the application filing period and invite interested persons to contact the Executive Officer for an application and information concerning the general duties and responsibilities of the Public Member.

Selection Process: The Commission may appoint a committee of two members to conduct the application and interview process and make a recommendation to the Commission. Following the deadline for filing applications, the Executive Officer

shall forward copies of all applications received to the committee. The committee may select the most qualified applicants for interviews, and the Executive Officer will notify them of the date and time interviews will be held. On the date specified, the committee will interview the candidates. Following the interviews, the committee will make a recommendation for an appointment to the City, county and special district Members of the Commission. If no committee is appointed, the City, county and special district Members will review the applications and interview the candidates at a regular public meeting of the Commission.

In lieu of a recruitment process, the Commission may direct the Executive Officer to schedule a public hearing to consider approving the reappointment of an existing incumbent public member.

The Commission will consider a recommendation of the public member appointment committee and/or appoint the public member no later than the regularly scheduled meeting in May of the year in which the term expires. Pursuant to Section 56325(d), the selection of the public member and alternate public member is subject to the affirmative vote of at least one county, city and special district member of the Commission.

Selection Criteria: The Public Member shall be a resident of San Mateo County. No person may be appointed who is an officer or employee of the county or of any city or district with territory in the county. In recommending and selecting the Public Member, the committee and City, county and special district Members of the Commission will consider the applicant's qualifications and the reasons given for wanting to serve as a member of the Commission.

Term of Office: The term of office will be four years expiring on the first Monday in May. The Public Member will continue to serve until his or her successor is appointed and qualified.

### Vacancy

Should a vacancy occur during the Public Member's term of office, the Commission may:

- (a) Select a new member from the applications previously submitted for the current appointment, provided that not more than 12 months have passed since the applications were filed with the Commission.
- (b) Direct the Executive Officer to send out a news release announcing the vacancy and follow the process outlined in the section Appointment above.
- (c) Appoint the current Alternate Public Member.

The appointment shall be for the unexpired term of the Public Member.

**2. Alternate Public Member**

Appointment

Application, Selection and Selection Criteria: The Alternate Public Member will be selected and appointed following the same procedures and selection criteria as the Public Member.

Vacancy

Any vacancy occurring during the term of office of the Alternate Public Member shall be filled in the same manner and using the same procedure for filling a vacancy in the position of Public Member. Any appointment shall be for the unexpired term of office.

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**March 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Consider approval of draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2024

## Summary

As part of the contract for personnel, office space and services with the County of San Mateo, the Commission's funds are held in the County treasury and included in the County's budget system. For the Fiscal Year beginning July 1, 2018, the Commission's budget was moved out of the General Fund to a separate trust fund, shown in the County's budget document as information only, consistent with its being the budget of an independent Commission. When the Commission's budget was part of the General Fund, the County's annual audit included the LAFCo budget. Moving the Commission's budget from the General Fund to a trust fund required that the Commission engage independent auditors to prepare an audit of Commission finances.

O'Connor & Company, formerly R. J. Ricciardi, Inc., has completed the sixth outside audit for San Mateo LAFCo covering the 2023-24 fiscal year. O'Connor & Company has not identified any deficiencies in internal controls nor any instances of non-compliance. The audit did not find any problems with the LAFCo financial statements. Financial transactions are viewed by staff from San Mateo County Planning and Building, the San Mateo County Controller's Office, and by San Mateo County CEO's Budget Office.

In the 2018-19 audit, it was recommended that all trial balances be reviewed on monthly basis and that cash accounts be reconciled each month. As noted in the report, LAFCo staff continues to review monthly reports for the LAFCo accounts and works with County staff to reconcile accounts. In addition, LAFCo staff now provides quarterly financial updates to the Commission which will allow for opportunities to review how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate.

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**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪

DIANE ESTIPONA, CLERK

**Review by Budget Committee**

The Budget Committee reviewed the draft audit on March 10, 2025 and recommended approval.

**Recommendation Action**

By resolution, approve the draft audit prepared by O'Connor & Company of the San Mateo Local Agency Formation Commission's Financial Statements for the Fiscal Year ending June 30, 2024.

**Attachments**

- A. Annual Financial Report for FY24 Audit
- B. Commissioners and Management Report for FY24 Audit
- C. Resolution No. 1351

**DRAFT**

**1/12/2026**

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. \*\*Report/Letter date is TENTATIVE-TBD\*\*

**SAN MATEO LOCAL AGENCY  
FORMATION COMMISSION**

**REDWOOD CITY, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

Commissioners  
San Mateo Local Agency Formation Commission  
Redwood City, California

### Report on Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the San Mateo Local Agency Formation Commission, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the San Mateo Local Agency Formation Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of San Mateo Local Agency Formation Commission, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Mateo Local Agency Formation Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of a Matter

As discussed in Note 1, the financial statements are intended to present the financial position and the respective changes in financial position of only those transactions attributable to San Mateo Local Agency Formation Commission. They do not purport to, and do not, present fairly the financial position of the County of San Mateo in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Mateo Local Agency Formation Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Mateo Local Agency Formation Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Mateo Local Agency Formation Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3-6 and page 18, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

O'Connor & Company

Novato, California

San Mateo Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

This section of San Mateo Local Agency Formation Commission's (LAFCo's) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2024. We encourage the reader to consider the information presented here in conjunction with the basic financial statements as a whole.

**Introduction to the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to LAFCo's audited financial statements, which are composed of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used, which best represents the activities of LAFCo.

The required financial statements include the Statement of Net Position and Governmental Funds Balance Sheet; and the Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of LAFCo.

**The Basic Financial Statements**

The Basic Financial Statements comprise the Combined Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of LAFCo's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of LAFCo's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of LAFCo, including all of its capital assets and long-term liabilities on a full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all LAFCo's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of LAFCo's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of LAFCo's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report LAFCo's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of LAFCo's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of LAFCo and are presented individually. Major Funds are explained below.

**The Government-wide Financial Statements**

Government-wide Financial Statements are prepared on an accrual basis, which means they measure the flow of all economic resources of LAFCo.

The Statement of Net Position and the Statement of Activities present information about the following:

*Governmental Activities* – LAFCo's basic services are governmental activities. These services are supported by specific general revenues from local agencies.

San Mateo Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 June 30, 2024

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of LAFCo's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of LAFCo for the year and may change from year to year as a result of changes in the pattern of LAFCo's activities.

In LAFCo's case, there is only one Major Governmental Fund.

Governmental Fund Financial Statements are prepared on a modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

**Analyses of Major Funds**

Governmental Funds

General Fund revenues increased \$33,463 this fiscal year compared to the prior year. Actual revenues were less than budgeted amounts by \$222,117.

General Fund expenditures were \$613,799, an increase of \$11,753 from the prior year primarily due to County Counsel and attorney service cost related to projects. Expenditures were \$232,230 less than budgeted.

**Governmental Activities**

Table 1  
Governmental Net Position

	2024 Governmental Activities	2023 Governmental Activities
Current assets	\$ 223,914	\$ 294,444
Total assets	223,914	294,444
Current liabilities	5,967	86,610
Total liabilities	5,967	86,610
Net position		
Unrestricted	217,947	207,834
Total net position	\$ 217,947	\$ 207,834

LAFCo's governmental net position amounted to \$217,947 as of June 30, 2024, an increase of \$10,113 from 2023. This increase is the Change in Net Position reflected in the Statement of Activities shown in Table 2.

San Mateo Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
 June 30, 2024

LAFCo's net position as of June 30, 2024 comprised the following:

- Cash and investments comprised \$220,508 of cash on deposit with the San Mateo County Treasury.
- Accounts receivable totaling \$3,406.
- Accounts payable totaling \$5,967.
- Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. LAFCo had \$217,947 of unrestricted net position as of June 30, 2024.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2  
Changes in Governmental Net Position

	<u>2024</u> Governmental Activities	<u>2023</u> Governmental Activities
<u>Expenses</u>		
Local agency formation services	\$ 613,799	\$ 602,046
Total expenses	613,799	602,046
<u>Revenues</u>		
Program revenues:		
Charges for services	53,520	29,958
General revenues:		
Intergovernmental revenue	553,122	548,826
Taxes and other	17,270	11,665
Total general revenues	570,392	560,491
Total revenues	623,912	590,449
<u>Change in net position</u>	\$ 10,113	\$ (11,597)

As Table 2 above shows, \$53,520 or 9% of LAFCo's fiscal year 2024 governmental revenue came from program revenues and \$570,392 or 91%, came from general revenues.

Program revenues consisted of annexation charges of \$53,520.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

**Capital Assets**

LAFCo has no capital assets.

**Debt Administration**

LAFCo does not utilize long-term debt to fund operations or growth.

San Mateo Local Agency Formation Commission  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024

**Economic Outlook and Major Initiatives**

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various agencies served by LAFCo.

The economic condition of LAFCo as it appears on the balance sheet reflects financial stability. LAFCo will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

**Contacting LAFCo's Financial Management**

The basic financial statements are intended to provide citizens, taxpayers, and creditors with a general overview of LAFCo's finances. Questions about this report should be directed to San Mateo Local Agency Formation Commission, 455 County Center, 2nd Floor, Redwood City, CA 94063.

DRAFT

San Mateo Local Agency Formation Commission  
STATEMENT OF NET POSITION  
 June 30, 2024

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 220,508
Accounts receivable	3,406
Total assets	223,914
 <u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Accounts payable and other accrued expenses	5,967
Total liabilities	5,967
Net position:	
Unrestricted net position	217,947
Total net position	\$ 217,947

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2024

	<u>Governmental Activities</u>
Program expenses	
Services and supplies	\$ 613,799
Total program expenses	<u>613,799</u>
 Program revenues:	
Intergovernmental revenue	553,122
Charges for service	53,520
Other revenue	<u>17,270</u>
Total program revenue	<u>623,912</u>
Net program expense	<u>10,113</u>
 Changes in net position	 10,113
Net position, beginning of period	<u>207,834</u>
 Net position, end of period	 <u>\$ 217,947</u>

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
GOVERNMENTAL FUNDS - BALANCE SHEET  
 June 30, 2024

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash investments	\$ 220,508
Accounts receivable	3,406
Total assets	\$ 223,914
 <u>LIABILITIES</u>	
Accounts payable and other accrued expenses	\$ 5,967
Total liabilities	5,967
 <u>FUND BALANCES</u>	
Assigned fund balances	217,947
Total fund balances	217,947
Total liabilities and fund balances	\$ 223,914

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
 Reconciliation of the  
GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the  
STATEMENT OF NET POSITION  
 For the Year Ended June 30, 2024

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 217,947
<p>Amount reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:</p>	
None	<hr style="width: 100%;"/> -
NET POSITION OF GOVERNMENTAL ACTIVITIES	<hr style="width: 100%;"/> <u>\$ 217,947</u>

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
 June 30, 2024

	General Fund
Revenues	
Intergovernmental revenue	\$ 553,122
Charges for service	53,520
Other revenue	17,270
Total revenues	623,912
Expenditures	
Services and supplies	613,799
Total expenditures	613,799
Excess of revenues over (under) expenditures	10,113
Fund balances, beginning of the period	207,834
Fund balances, end of the period	\$ 217,947

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
 Reconciliation of the  
STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
 to the  
STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND	\$	10,113
---	----	--------

The changes in Net Position reported for governmental activities in the Statement of Activities are different because:

None		-
------	--	---

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>10,113</u>
---	----	---------------

DRAFT

The accompanying notes are an integral part of these financial statements.

San Mateo Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 1 - REPORTING ENTITY

A. Reporting Entity

The financial statements are intended to present the financial position and the respective changes in financial position of only those transactions attributable to San Mateo Local Agency Formation Commission. They do not purport to, and do not, present fairly the financial position of the County of San Mateo in conformity with U.S. generally accepted accounting principles.

LAFCo maintains a cash receipts journal for recording fees collected at 1851 Lexington Avenue. The assessment of property, collection of taxes, disbursement of cash, and the maintenance of the general ledger for funds held by the County are provided by the County of San Mateo. Custodianship of LAFCo's account and records for funds held by the County are vested with the Treasurer of San Mateo County.

The County of San Mateo maintains its financial records on a computer, utilizing a monthly reporting cycle. Every month the Controller issues a computer printout of revenues collected, disbursements by objective and a trial balance for the period then ended.

B. Organization of LAFCo

San Mateo Local Agency Formation Commission (LAFCo) was formed in 1963. LAFCo is responsible for coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. LAFCo's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. LAFCo also conducts service reviews to evaluate the provision of municipal services within its county.

C. Principles that Determine the Scope of Reporting Entity

LAFCo consists of seven voting members and four alternate members, and exercises the powers allowed by state statutes. This follows section 56325 of the Government Code. The basic financial statements of LAFCo consist only of the funds of LAFCo. LAFCo has no oversight responsibility for any other governmental entity since no other entities are controlled by, or dependent on, LAFCo.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

LAFCo's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Government-wide Financial Statements

LAFCo's financial statements reflect only its own activities; it has no component units. The statement of net position and statement of activities display information about the reporting government. They include all the funds of the reporting entity. Governmental activities generally are financed through intergovernmental revenues and charges for services for performing annexation services.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of LAFCo's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

San Mateo Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

Program revenues include charges paid by the recipients of goods and services offered by the program. Revenues that are not classified as program revenues, including all intergovernmental revenues, are presented as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is a separate accounting entity. General Fund operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses) as appropriate. LAFCo's resources are accounted for based on the purposes for which they are to be spent and how spending activities are controlled. An emphasis is placed on major funds within the governmental categories.

The Fund Financial Statements are presented after the government-wide financial statements. These statements display information about major funds individually in a separate column and non-major funds in the aggregate for governmental funds. A fund is considered major if it is the primary operating fund of LAFCo or meets the following criteria: Total assets, liabilities, revenues, or expenditures (or expenses) of the individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type. The General Fund is always a major fund. LAFCo reported the following major governmental funds in the accompanying financial statements:

Governmental Funds

General Fund: This is the operating fund of LAFCo. The major source of revenue for this fund is intergovernmental revenues. Expenditures are made for intergovernmental revenues projects and administration.

B. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable and available." LAFCo considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*. Those revenues susceptible to accrual are intergovernmental, certain charges for services and interest revenue. Charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which LAFCo gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. LAFCo may fund programs with a combination of charges for services and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. LAFCo's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

San Mateo Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

C. LAFCo Budget

Pursuant to Section 56381, et seq of the Government Code, LAFCo adopts a preliminary budget by May 1 and a final budget by June 15 of each year. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Budget/actual comparisons in this report use this budgetary basis. These budgeted amounts are as originally adopted or as amended by LAFCo. Individual amendments were not material in relation to the original appropriations that were amended.

D. Receivable and Payable Balances

LAFCo believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuration of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of the year end. All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due.

E. Property, Plant and Equipment

LAFCo currently has no fixed assets.

F. Unearned Revenue

Unearned revenues represent amounts received but not yet earned.

NOTE 3 - CASH AND INVESTMENTS

LAFCo's cash is maintained with the San Mateo County Treasury in a non-interest-bearing account. LAFCo's cash on deposit with the San Mateo County Treasury at June 30, 2024 was \$220,508.

Credit Risk, Carrying Amount and Market Value of Investments

LAFCo maintains specific cash deposits with San Mateo County (County). San Mateo County is restricted by state code in the types of investments it can make. Furthermore, the San Mateo County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, San Mateo County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. In addition, LAFCo has its own investment policy as well.

San Mateo County's investment policy authorizes San Mateo County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. At June 30, 2024, LAFCo's cash with the San Mateo County Treasurer was maintained in a non-interest-bearing account.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

San Mateo Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 3 - CASH AND INVESTMENTS (concluded)

The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California agents of depository is held for, and in the name of, the local government.

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The valuation method used for rental properties is the Leased Fee Market method, which is dependent on the income generated from rental properties. LAFCo did not have investments subject to recurring fair value measurements as of June 30, 2024.

NOTE 4 - USE OF ESTIMATES

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those amounts.

NOTE 5 - CONTINGENCIES

LAFCo may be involved from time to time in various claims and litigation arising in the ordinary course of business. LAFCo management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters should not have a materially adverse effect on LAFCo's financial position or results of operations.

The Commission was litigating a proposal that the Commission approved in November 2023. Litigation was initiated by the East Palo Alto Sanitary District, the agency affected by the proposal, in March 2024 (East Palo Alto Sanitary Dist. v. San Mateo Local Agency Formation Comm'n - San Mateo County Superior Court-Case No. 24-CIV-01489). Litigation settled on August 30, 2024, the San Mateo Superior Court ruled in favor of LAFCo.

San Mateo Local Agency Formation Commission  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2024

NOTE 6 - FUND EQUITY

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which LAFCo is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned. Non-spendable and Restricted fund balances represent the restricted classifications, and Committed, Assigned, and Unassigned represent the unrestricted classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts with use constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Commissioners serve as LAFCo's highest level of decision-making authority and have the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by LAFCo for specific purposes, subject to change, as established either by the Commissioners or by management officials to whom assignment authority has been delegated by the Commissioners.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

Fund Balance Flow Assumption

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, LAFCo specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, LAFCo's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Net Position

Net Position is the excess of all LAFCo's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

*Net Investment in capital assets* describes the portion of Net Position that is represented by the current net book value of LAFCo's capital assets, less the outstanding balance of any debt issued to finance these assets. *Restricted* describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that LAFCo cannot unilaterally alter. *Unrestricted* describes the portion of Net Position that is not restricted to use.

LAFCo's Net Position is unrestricted.

Net Position Flow Assumption

The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

San Mateo Local Agency Formation Commission  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Budget and Actual  
For the Year Ended June 30, 2024  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with <u>Final Budget</u>
Revenues:				
Intergovernmental revenue	\$ 811,029	\$ 811,029	\$ 553,122	\$ (257,907)
Charges for services	35,000	35,000	53,520	18,520
Other revenue	-	-	17,270	17,270
Total revenues	<u>846,029</u>	<u>846,029</u>	<u>623,912</u>	<u>(222,117)</u>
Expenditures:				
Services and supplies	846,029	846,029	613,799	232,230
Total expenditures	<u>846,029</u>	<u>846,029</u>	<u>613,799</u>	<u>232,230</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	10,113	<u>\$ 10,113</u>
Fund balance, beginning of period			<u>207,834</u>	
Fund balance, end of period			<u>\$ 217,947</u>	

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**DRAFT**

**1/12/2026**

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. \*\*Report/Letter date is TENTATIVE-TBD\*\*

**SAN MATEO LOCAL AGENCY  
FORMATION COMMISSION**

**COMMISSIONERS & MANAGEMENT REPORT**

**For the Year Ended  
JUNE 30, 2024**

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DRAFT

Commissioners  
San Mateo Local Agency Formation Commission  
Redwood City, California

In planning and performing our audit of the financial statements of San Mateo Local Agency Formation Commission as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered San Mateo Local Agency Formation Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

This report is intended solely for the information and use of management, the Commissioners, and officials of the federal and state grantor agencies and should not be used by anyone other than these specified parties.

We thank San Mateo Local Agency Formation Commission's staff for its cooperation during our audit.

O'Connor & Company

Novato, California

Commissioners  
San Mateo Local Agency Formation Commission  
Redwood City, California

We have audited the basic financial statements of the San Mateo Local Agency Formation Commission (LAFCo) for the year ended June 30, 2024. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2025, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of LAFCo. Such considerations were solely for the purpose of determining our audit procedures and not providing any assurance concerning such internal control.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by LAFCo are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered by LAFCo during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The following pronouncements became effective, but did not have a material effect on the financial statements:

#### **GASB 100 – Accounting Changes and Error Corrections**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimate(s) affecting the financial statements were:

- Nothing came to our attention.

#### **Disclosures**

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no audit adjustments that came to our attention.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated XX/XX/XX.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to LAFCo's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as LAFCo's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule for the General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of management and the Commissioners of San Mateo Local Agency Formation Commission and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Mateo Local Agency Formation Commission  
COMMISSIONERS & MANAGEMENT REPORT  
For the Year Ended June 30, 2024

**Current Year Observations**

There were no current year observations.

**Prior Year Observations**

There were no prior year observations.

DRAFT

RESOLUTION NO. 1351

**RESOLUTION OF THE  
SAN MATEO LOCAL AGENCY FORMATION COMMISSION  
APPROVAL OF THE AUDIT PREPARED BY O’CONNOR & COMPANY FOR THE COMMISSION’S FISCAL  
STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo (LAFCo), State of California, that:

WHEREAS, prior to 2018, the Commission’s appropriations budget was part of the County of San Mateo General Fund and independently audited annually; and

WHEREAS, in 2018 the Commission’s appropriations budget was transferred to a trust fund account that necessitated LAFCo to contract with an outside auditor to perform an independent audit; and

WHEREAS, LAFCo entered into an agreement with O’Connor & Company, formerly R. J. Ricciardi, Inc., for an audit of the Commission’s Fiscal Statements for the year ending June 30, 2024; and

WHEREAS, the draft audit did not identify any deficiencies in internal controls nor any instances of non-compliance; and

WHEREAS, LAFCo staff continues to review monthly reports for the LAFCo accounts and works with County staff to reconcile accounts. LAFCo staff provides quarterly financial updates to the Commission which will allow for opportunities to review how LAFCo performed financially in the previous quarter as compared to the adopted budget and to discuss any issues as appropriate.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Commission hereby approves the draft audit prepared by O’Connor & Company of the San Mateo Local Agency Formation Commission’s Financial Statements for the Fiscal Year ending June 30, 2024.

Regularly passed and adopted this \_\_\_\_ day of \_\_\_\_\_.

Ayes and in favor of said resolution:

Commissioners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Noes and against said resolution:  
\_\_\_\_\_

Commissioners Absent and/or Abstentions:

Commissioners: \_\_\_\_\_

\_\_\_\_\_  
Chair  
Local Agency Formation Commission  
County of San Mateo  
State of California

ATTEST:

\_\_\_\_\_  
Roberto J Bartoli Jr.  
Executive Officer  
Local Agency Formation Commission

Date: \_\_\_\_\_

I certify that this is a true and correct copy of the resolution above set forth.

Date: \_\_\_\_\_

\_\_\_\_\_  
Clerk to the Commission  
Local Agency Formation Commission

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**March 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** CALAFCO Update

## Summary

At the January 21, 2026 LAFCo meeting, the Commission reviewed two potential CALAFCO By-law changes that would eliminate Board “seat type” categories (city, county, public, special district) and the ability of Executive Officers to be eligible to serve as voting Board Members, elected from within their regions. (If approved, the four Regional Executive Officers will no longer be voting members of the Board after the October Board elections). The general direction from the Commission was concern about these two proposed changes.

Since the January meeting, additional information was provided to LAFCo staff and to the San Mateo voting member, Commissioner Chang Kiraly, including comments from various LAFCos stating support for the two changes. The support largely centered on the idea that each local LAFCo still retains full authority to nominate and support whomever they believe would best serve CALAFCO and its members, whether a commissioner (of any seat type) or Executive Officer. This ensures that it is ultimately the LAFCo Commissioners that are deciding and voting on the representation at the CALAFCO Board.

On February 23, 2026, the CALAFCO Board of Directors held a Special Corporate Business Meeting to review and take action on two major by-law changes. Based on the additional information regarding the potential impacts of the by-law changes and the discussion at the Special Meeting, San Mateo LAFCo voted to support the by-law changes. The by-law changes passed, with 40 LAFCos supporting the item and 2 LAFCos voting against. It is anticipated that additional information and discussion about other potential by-law changes, including potential regional changes, will continue occur throughout the year.

## Recommendation

Receive the report.

**COMMISSIONERS:** VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT ▪ ANN DRAPER, VICE CHAIR, PUBLIC ▪ KATI MARTIN, SPECIAL DISTRICT  
▪ DAVID J CANEPA, COUNTY ▪ DEBBIE RUDDOCK, CITY ▪ STEPHEN RAINALDI, CITY ▪ JACKIE SPEIER, COUNTY ▪

**ALTERNATES:** NOELIA CORZO, COUNTY ▪ KATHRYN SLATER-CARTER, SPECIAL DISTRICT ▪ GREG WRIGHT, CITY ▪ COLLEEN YOU, PUBLIC

**STAFF:** ROB BARTOLI, EXECUTIVE OFFICER ▪ SARAH FLAMM, MANAGEMENT ANALYST ▪ TIM FOX, LEGAL COUNSEL ▪  
DIANE ESTIPONA, CLERK

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**March 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer  
Sarah Flamm, Management Analyst

**Subject:** Legislative Report – Information Only

## Summary

### *Legislative tracker*

CALAFCO is tracking 16 bills as of March 9, 2026, including:

**AB 2676 (Gallagher)** would make updates to the Housing Crisis Act of 2019, including prohibiting a city or county from enacting a development policy, standard, or condition that has the effect of imposing or enforcing a moratorium or similar restriction or limitation on housing development within a sphere of influence.

**AB 2083 (Jackson)** would form the Moreno Valley-Perris Childcare Special District in Riverside County. The bill establishes the district and sets its boundaries to include the Cities of Moreno Valley and Perris and three school districts, as well as the current adopted spheres of influence for each city. The bill bypasses the special district formation process, requiring Riverside LAFCO to "review and approve" the formation of the district. The purpose of the district would include expanding childcare capacity and access through the development, coordination, and operation of universal childcare programs.

### *LAFCo-Related Annexation Bill*

Over the last few months, there was an effort by several LAFCos to study potential legislation to implement several recommendations from a UC Berkeley report. The report, published in January 2024 by Professor Kristin Dobbin, examines how LAFCos and State regulators interact to improve drinking water system reliability, and related public policy topics. The report proposed three legislative changes: 1) Authorize LAFCos to initiate boundary changes (including annexations) and outside services agreements in response to documented public health and safety threats involving water or wastewater; 2) Require noticed hearings for municipal service reviews and written responses from subject agencies; and 3) Extend information-sharing requirements to mobile home parks operating community water systems.

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DIANE ESTIPONA, CLERK

The proposed legislation was presented to CALAFCO which in turn expressed concern about the expansion of LAFCo powers and the lack of review by stakeholder organizations, such as CA Special District Association and the League of California Cities. Based on this feedback and other comments from LAFCos and other entities, this legislation is not moving forward at this time, but may in the future.

**Recommended Committee Action:**

Receive the report.

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**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Joint Power Agreements/Joint Power Authorities in San Mateo County

## Summary

As part of recent Municipal Service Reviews, LAFCo has included reviews of Joint Power Agreements/Joint Power Authorities (JPAs). A JPA consists of two or more public agencies that jointly exercise any power common to both through a joint powers agreement or contract. The agreement may set up a governing board composed of representatives of the contracting agencies and defines the JPA's governance and functions. The formation of a JPA does not require action by LAFCo. Since 2016, State law has required JPAs to provide LAFCos with their joint powers agreements and amendments to the agreements, which are available for review on the LAFCo website.

As part of the 2026-2027 LAFCo Workplan and MSR Schedule, JPAs that will be included in MSRs have been identified. JPAs that will be included in the reviews include agencies that provide municipal services such as sewer, fire, solid waste, and flood control services. Other JPAs that include regional planning, municipal financing, transportation, and other services are not anticipated to be included in MSRs. Attachment A list the 18 JPAs in San Mateo County, services provided, agencies involved, and if the JPA will be included in MSR reviews.

## Recommendation Action

Receive the report.

## Attachments

A. List of existing Joint Power Agreements/Joint Power Authorities in San Mateo County

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Joint Powers Agencies Providing Municipal Services in San Mateo County					
JPA Name	Service	Purpose	Members	Formation Date	Included in LAFCo MSRs
Central County Fire Department	Fire	Fire suppression and prevention, emergency medical services, training, administration, and disaster preparedness	Cities of Burlingame and Hillsborough (Contract with the City of Millbrae)	2004	Yes
City/County Association of Governments (C/CAG)	Regional Governance and Planning	Planning and programming in the areas of transportation, air quality, stormwater runoff, and climate protection. Allocation of State and federal transportation funds Serves as Airport Land Use Commission, Congestion Management Agency, Integrated Solid Waste Management Local Task Force, Program Manager for AB 434 40% Funds and for National Pollutant Discharge Elimination System, and Service Authority for Abatement of Abandoned Vehicles	County of San Mateo, all 20 cities in San Mateo County, and other agencies.	1990	No
Community Development Commission of the County of San Mateo (San Mateo County Joint Powers Financing Authority)	Municipal Financing	Financing of public capital improvements for the County of San Mateo	County of San Mateo and Community Development Commission	1993	No
Daly City Joint Powers Financing Authority	Municipal Financing	Financing of public capital improvements for the Vista Grande Drainage Project in Daly City.	City of Daly City and the North San Mateo County Sanitation District	2022	No
Net Six Joint Powers Authority	Fire and emergency dispatch	Fire and emergency dispatch services	Belmont Fire Protection District, Coastside Fire Protection District, Menlo Park Fire Protection District, City of Redwood City, City of San Carlos, Woodside Fire Protection District, and the County of San Mateo	1994	No
North County Fire Authority	Fire	Fire suppression and prevention, emergency medical services, training, administration, and disaster preparedness	Cities of Daly City, Brisbane, and Pacifica	2001	Yes
Peninsula Clean Energy Authority	Community Choice Aggregation	Provision of electricity generation from renewable resources such as solar and wind	County of San Mateo, all 20 cities in San Mateo County, and other agencies.	2016	No
Peninsula Corridor Joint Powers Board	Public Transportation	Ownership and operation of Caltrain	City and County of San Francisco, the San Mateo County Transit District, and the Santa Clara Valley Transportation Authority	1996	No
The Peninsula Library System	Library	Shared automated library system and other library services	Burlingame Public Library, Daly City Public Library, Menlo Park Public Library, Redwood City Public Library, San Bruno Public Library, San Mateo County Libraries, San Mateo Public Library, South San Francisco Public Library, and the San Mateo County Community College District	1971	No
Peninsula Traffic Congestion Relief Alliance	Transportation	Reducing traffic congestion and air pollution through Transportation Demand Management (TDM) programs, services, and subsidies and other related consultation services that are designed to reduce the number of single-occupant vehicles traveling on streets and highways	County of San Mateo and all 20 cities in San Mateo County	2000	No
San Francisquito Creek Joint Powers Authority	Flood Control	Addressing flooding, environmental, and recreational concerns through planning, designing, and implementing projects from the upper watershed to the tidal marshes of San Francisquito Creek.	Cities of Palo Alto, Menlo Park, and East Palo Alto, the County of San Mateo, and the Santa Clara Valley Water District	1999	Yes

JPA Name	Service	Purpose	Members	Formation Date	Included in LAFCo MSRs
San Mateo Consolidated Fire Department	Fire	Fire suppression and prevention, emergency medical services, training, administration, and disaster preparedness	Cities of San Mateo, Foster City, and Belmont	2017	Yes
San Mateo County Express Lanes Joint Powers Authority	Transportation	Own, manage, operate, and maintain Express Lanes along the Highway 101 corridor in San Mateo County.	San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County.	2019	No
San Mateo County Library Joint Powers Authority	Library	Operation of each member agency, including physical and digital collections, free internet access, access to public computers, hosting of cultural events, outreach services, bookmobile, and special programs.	Cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, Woodside, and the County of San Mateo	1999	No
San Mateo County Pre-Hospital Emergency Medical Services Group	Emergency ambulance service	Provision of advanced life support services through Countywide emergency ambulance service	County of San Mateo and American Medical Response West (AMR)	2009	No
Sewer Authority Mid-Coastside	Wastewater	Sewage collection, treatment, and disposal	City of Half Moon Bay, Granada Community Services District, and Montara Water and Sanitary District	1975	Yes
Silicon Valley Clean Water	Wastewater	Industrial waste monitoring, wastewater treatment and disposal, and recycled water	Cities of Belmont, San Carlos, Redwood City and West Bay Sanitary District	1975	Yes
South Bayside Waste Management Authority (RethinkWaste)	Solid Waste	Waste collection, disposal, and reduction, and recycling services	Cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, County of San Mateo, and West Bay Sanitary District	1999	Yes

3/2/2026

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**March 11, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Update on LAFCo Commissioner Terms for 2026

## Summary

In May 2026, there are four Commissioner terms that will end:

1. Kati Martin, Regular Special District member seat – Appointed by California Special District Association, San Mateo County chapter
2. Ann Draper, Regular Public member seat – Appointed by LAFCo Commissioners
3. Stephen Rainaldi, Regular City member seat – Appointed by San Mateo County City Selection Committee
4. Colleen You, Alternate Public member seat – Appointed by LAFCo Commissioners

San Mateo LAFCo staff will coordinate with the appointing bodies regarding these positions and new terms.

## Recommendation Action

Receive the report.

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